The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Is America's "New Concept" of China a Policy of Withdrawal?

ARTICLES IN THIS ISSUE

Travels and Adventures of Major General Seiichi Kita

Is the Russian Experiment in Communism at an End?

Japanese Acquire Vast Monopolistic Privileges in North While Kodama Mission Here

General Chiang Summons Important Conference at Hangchow; Dr. Kung Leaves for England

Summary of Events in February 1937

Visit of British Ambassador Further Cements Friendship Between South China and Britain *(By the Review's South China Correspondent)*

What Is America's "New Concept" of China? . By C. Y. W. Meng

China's Efforts to Conquer Opium Evil . . . . By Marcus Mervine

Photographic Regulations Need Amendment . . By Chen Pao-liang

China Wants Equal Partnership, Not Economic Vassalage . . . . . By C. Y. Hsieh

Can Japan Survive? . . . . . By Nugent Rugge

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The China Weekly REVIEW

Formerly Millard's Review

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Contents

Editorial Paragraphs

Is the Russian Experiment in Communism at an End? 157
Travels and Adventures of Major General Seiichi Kita 158
Japanese Acquire Vast Monopolistic Privileges in North While Kodama Mission Here 160

Special Articles

What Is America's "New Concept" of China? ..... By C. Y. W Meng 163
Photographic Regulations Need Amendment ..... By Chen Pao-liang 164
General Chiang Summons Important Conference at Hangchow; Dr. Kung Leaves for England 165
Visit of British Ambassador Further Cements Friendship Between South China and Britain... 169
Vassalage ..... By C. Y. Hsieh 172
China's Efforts to Conquer Opium Evil ..... By Marcus Mervine 175
Can Japan Survive? ..... By Nugent Rugge 180
Summary of Events in February, 1937 188
China Wants Equal Partnership, Not Economic Who's Who in China 191
Men and Events 192
New Books of Interest in the Far East 194

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

IS THE RUSSIAN EXPERIMENT IN COMMUNISM AT AN END?

REPORTS from Moscow (*Reuters*) this week quote Joseph Stalin as demanding the "re-education" of the leadership of the Russian communist party. The statement appeared in the course of a report which Stalin made to the Central Executive Committee of the Party on March 3. It contained further attacks on Trotsky, exiled red leader, who is charged with plots to undermine Soviet industrial life, and prescribed strenuous courses in Leninism for all leaders, secretaries and officials.

A further report through the French *Havas* service quoted Stalin as charging Trotsky-ites with espionage activities with agents of foreign states. Agents of foreign states, declared the report, not only penetrated the lower organizations but higher groups. The cause of this was that the "comrades of the Party, absorbed in economic campaigns . . . forgot that the U. S. S. R. is in the middle of capitalist states." Capitalist countries are waiting for an occasion to attack Russia, strip it of its power and weaken it . . . one must not believe that Trotskyism is beaten. In conclusion the report named the organizations and individuals which are allegedly supporting Trotskyism outside the borders of the U. S. S. R. —the Fourth International of Trotsky, the Souvarine group in France and the League of American Writers headed by Max Eastman.

The reference to Max Eastman, well known American writer on socialism, was of special interest because Eastman contributed an article to the February number of *Harpers Magazine* which was entitled, "The End of Socialism in Russia." Eastman argued that the recent trial and shooting of old Bolsheviks in Moscow was staged with the object of clearing the ground for promulgating the new constitution which will abolish Lenin's unique political creation, the Soviet system of government. It will be replaced, according to Eastman, with a parliamentary system which will facilitate the administration of the country through

the Stalin dictatorship. Finally Eastman declared that the shots which concluded the Moscow trial, "were the bloody punctuation of a twelve-year period of counter-revolution. . . . They mean that the experiment in socialism in Russia is at an end." Eastman's article which covers thirteen pages of *Harper's* is too lengthy for reproduction here, but he claims that in every field of activity in Russia the original conceptions of a socialist state are being discarded in favor of an up-to-date dictatorship not greatly differing from the examples of Hitler and Mussolini. Beginning with the recent decree ordering Soviet women to go back to child-bearing as a military measure, Eastman analyzed all departments of the state, including education, collective farms, wages, "Stakhanovism" or the American and German methods of labor efficiency, and even the well supervised press and moving picture industries, to prove his point that communism no longer exists in Russia. Specifically he points to the fact that whereas bank-depositors and investors in stocks and bonds in capitalistic countries are happy to receive rates of interest ranging up to 4 percent,. the lucky investors in the Soviet Union receive 7 percent interest on loans while the State Savings Bank pays 8 percent on deposits. They are not only "receiving unearned income, but are receiving surplus value derived from the exploitation of the country's labor." Thus to quote Eastman you have a situation "as remote from socialism, to say nothing of 'communism' as anything that could conceivably be put across upon the most gullible mind as a cynical imitation of it."

The controversy is of special interest here due to the National Government's present efforts to reorganize the armies in the Northwest which, for the past decade have called themselves "communists," and their political organization the "Soviet Government of China." Nanking demanded that the reds give up their professed programs of the past and rejoin the Government as rank-and-file Kuomintangists. What the outcome of the present negotiations will be cannot be forecasted, but superficially it appears that the Japanese and the Germans who selected the Comintern as the announced objective of their recently concluded military alliance, made a serious error because they selected something which both the Russians and the Chinese had already abolished!

Of most dramatic interest is the fact that these changes have had an initmate connection with China from the beginning. The collapse of the Soviet-Kuomintang alliance in 1927 caused the fall of Trotsky and the ushering-in of the first Five-Year Plan, designed to strengthen Russia in a military way. The collapse of the red program in China caused Stalin to realize the necessity of military strength and that started other forces in motion which paved the way for the latest developments.

TRAVELS AND ADVENTURES OF MAJOR GENERAL SEIICHI KITA

MAJOR-GENERAL Seiichi Kita, formerly a sectional chief on the Tokyo General Staff has been Military Attache in China since March 1936. On Monday of this week the Major-General gave a cocktail party at his headquarters No 1147 Dixwell Road which was attended chiefly by local newspapermen and correspondents for American and European newspapers stationed in Shanghai. The cocktail party constituted a sort of celebration or commemoration of a rather remarkable tour which Gen. Kita completed on the previous day, a matter worthy of mention in view of the recent statements of one Giichi Matsumura member of the House of Peers who declared (March 18) that Japanese military officers stationed in China do too much traveling and talking.

Since the subject was brought up by a member of the House of Peers, it is of interest to record briefly the references to Gen. Kita's tour which were contained in the news reports and translation services delivered to at least one Shanghai newspaper office between March 16 and the date of the General's cocktail party, March 29:

March 16—Dispatch from Shanghai published in the Tokyo *Hochi*—Maj.-Gen. Seiichi Kita, Military Attache, called on Gen. Chiang Kai-shek and after inquiring about the Generalissimo's health he sounded out Gen. Chiang's real intentions regarding domestic and foreign politics as fixed by the recent Kuomintang Congress.

March 17—Dispatch to *Ta Kung Pao* from Kaifeng, Honan province—General Kita, Japanese Military Attache arrived here this morning by train from Chengchow and called on Gen. Liu Chih, Pacification Commissioner of Honan and Gen. Shang Chen, Chairman of the Honan provincial government.

March 17—Dispatch in *Sin Wan Pao* from Tientsin—General Kita, Japanese Military Attache is expected to arrive in Tientsin tomorrow and will proceed to Tungchow, capital of the East Hopei Autonoomous Zone on an inspection tour. On March 20 he will confer with Lt.-Gen. Tashiro, Commander of the Japanese forces in North China.

March 17—Dispatch to *Ta Kung Pao* from Kaifeng—Gen. Kita arrived here today following a visit to Chengchow where a large number of Japanese spies were arrested recently.

March 17—*Central News* dispatch from Chengchow, Honan—Major General Kita, Military Attache, who arrived here from Shanghai will call on officials of the Honan provincial government, following which he will fly to Tientsin to confer with Gen. Tashiro on measures to effect closer co-operation among Japanese military officers in China.

March 19—Dispatch from Peiping to the *Shanghai Nippo* (Japanese paper) Major-General Kita arrived in Peiping and immediately interviewed Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council and other Northern Chinese

leaders. Gen. Kita gave little evidence of fatigue as a result of his long trip. He said, "After inspecting conditions at Hankow and Chengchow, I find remarkable development along the Yangtsze . . . changes in Honan really shocked me . . . Tungpei units (former Chang Hsueh-liang troops from Northwest) have been ordered to Honan from Kansu thereby causing considerable confusion"——when questioned about the problem of co-operation between the communists and the Kuomintang Gen. Kita replied, "That's a question which I also am trying to find out."

March 19—Dispatch from Tientsin by *Domei*—Major-General Kita called on Gen. Sung Cheh-yuan, Chairman of the Hopei Chahar Political Council at 4 o'clock this afternoon . . . Following a one-hour interview with Gen. Chiang Kai-shek on Monday the Japanese officer then interviewed high officials of Honan, following which he proceeded to Tientsin and saw Gen. Sung. From Tientsin he will return to Shanghai by way of Tsinan and Tsingtao, interviewing other Chinese officials enroute . . . During the interview with Gen. Sung, Gen. Kita did not discuss any concrete proposals for readjustment of affairs in North China . . . Immediately following his interview with Sung he interviewed Gen. Chin Teh-chun, Mayor of Peiping . . . In an interview with Japanese newspapermen, Gen. Kita declared there had been no improvement in Honan since 1932, which was in striking contrast to vast developments in the Yangtsze valley.

March 20—Peiping dispatch by *Reuter*—Gen. Kita went to Tungchow this morning to see Yin Ju-keng, Chairman of the East Hopei Government, following which he was guest of honor at a luncheon given by Gen. Sung Cheh-yuan . . . Gen. Kita also conferred with Major Omoto, Japanese resident officer stationed at Kalgan; Major Matsudaira, Japanese officer at Tientsin and others who had been attending the military conference at Tientsin.

Tientsin dispatch to *Hwa Mei Wan Pao*—Japanese military conference adopted five-point program, (1) Opposition to abolition of East Hopei regime; strengthen buffer zones about Manchukuo; resist anti-Japan-Manchukuo influences; (2) increase in Japanese "Special Service" establishments in North and Central China; (3) Persuade North China authorities to carry out anti-communist activities; (4) persuade authorities of North China to carry out Japanese economic projects; (5) oppose any changes in Japanese policy toward China.

March 21—Tientsin dispatch in *Shun-Pao*—Gen. Kita, following a conference with Lt.-General Tashiro of the North China command, warned the younger Japanese officers against indulging in reckless actions which might 'worsen' Sino-Japanese relations and adversely affect co-operation between the two countries . . . Owing to the increase in China's national strength, Kita urged the officers to change their attitude.

March 22—Gen. Kita warned the younger Japanese officers in the North to refrain from military diplomacy for a period of four months while Sino-Japanese economic co-operation was being discussed . . . declared that if economic co-operation was successful, Japan might abolish the East Hopei and Hopei-Chahar regimes, but if co-operation failed the Japanese military authorities would resume their traditional military diplomacy.

March 23—Tsinan dispatch in *Ta Kung Pao*—Gen. Kita arrived at the Shantung capital today and immediately conferred with Gen. Han Fu-chu, Chairman of Shantung. Following the interview with Gen. Han, the Japanese officer immediately left for Tsingtao where he will interview Admiral Shen Hung-lieh, Mayor of the port city . . . In an interview at Tsinan, Gen. Kita admitted that Japan was pressing China for a reduction of tariff duties on Japanese goods—(*Wusih Jen Pao*).

March 24—Tientsin dispatch in *Sin Wan Pao*—Upon his return to Shanghai, Gen. Kita is expected to submit a report to Ambassador Kawagoe regarding his conversations with Chinese officials in Central, Northwest, North and East China . . . Gen. Kita's report will advise the "separation" of China into two main sections from the standpoint of negotiations pertaining to economic co-operation . . . South of the Yellow River negotiations will be conducted with the Central Government "in order to appease anti-Japanese feeling among the masses; in the North the negotiations will be confined to the leaders of the Hopei-Chahar Council, the object being to accelerate and enforce agreements already included in the Tangku and Ho-Umetsu pacts . . ." Kita's attempt to induce the Japanese commanders to declare a four-months' truce was unsuccessful.

March 27—Major-General Seiichi Kita, Military Attache to the Japanese Embassy in China, returned to Shanghai "after a brief visit to North China"—*Local Domei.*

March 27—Report in *Lih Pao*—On the eve of his departure from Shanghai for Japan, Mr. Kodama, head of the Japanese Economic Mission was advised by Gen. Kita to the following effect: "Sino-Japanese economic co-operation should only be carried out in a 'certain part of China' because any attempt to carry out such co-operation over the whole country would result in failure . . . As a matter of fact economic co-operation in North China is already in full swing and upon this factor hinges the existence and development of Manchukuo."

March 29—Major-General Seiichi Kita, Military Attache to the Japanese Embassy requests the pleasure of your company at cocktails . . . R. S. V. P. to the Adjutant, No. 1147 Dixwell Road, Shanghai.

Chinese Want Return of Land Leased to Belgian Mission in Boxer Days

The Central authorities will be petitioned to negotiate with the Belgian Government for the return of a piece of land of several hundred mow situated between Painiching and Ningtiaoliang, to the northwest of Tingpien hsien in northern Shensi, according to Fu Wen, special administrator of the First Area in an interview with the *Central News Agency* at Sian Mar. 29. The land, Mr. Fu, said, was leased to some Belgian missionaries in the 26th year of Kwang Hsu, or 1900, for a period of 32 years. The lease, therefore, expired in 1932, Mr. Fu added. The lease was effected as a result of the murder of a Belgian missionary at Peiniching during an uprising of Mongols in that year.

Chengtu Branch of Central Military Academy Buys Land from Catholic Mission

The Chengtu branch of the Central Military Academy has purchased more than 300 mow of land together with 50 odd buildings from the Catholic Paris Foreign Mission at a cost of $30,000, it was announced at Chungking Mar. 25.

Japanese Acquire Vast Monopolistic Privileges in North While Kodama Mission Here

OWING to political controversies in Tokyo, artificially stimulated for the purpose perhaps, it has been difficult to determine whether the visit of the Japanese Economic Mission to Shanghai and Nanking was successful.

If the statement by Tokuchi Shoji, President of the Yen 80,000,000 Toyo Cotton Spinning Company, to the effect that China has agreed to cooperate with Japan in the development of China's raw cotton industry was correct, it would indicate that the visit of the Mission was highly successful. Sino-Japanese cooperation in the development of a Far Eastern cotton bloc along the lines which the Japanese desire would be of tremendous significance not only in the Far East but also to the Occident, particularly the United States.

Aside from the cotton question referred to elsewhere in this issue, there seems to be considerable evidence that the visit of the Japanese Economic Mission to Shanghai provided a convenient smoke screen for developments of tremendous importance in North China.

While the Sino-Japanese industrialists were *discussing* cooperation at Shanghai, other and more powerful Japanese groups affiliated with the Kwantung branch of the Imperial Japanese Army were actually *putting into effect* various cooperative enterprises in North China. The controversy in the Japanese newspapers over the success or otherwise of the Kodama Mission to Shanghai has therefore served a good purpose in that it has disclosed that there are two powerful groups in Japan which are working at cross-purposes, but with a similar objective. One group, closely affiliated with the Japanese Army in Manchuria, by using force and bribery has succeeded in obtaining control of China's chief resources of coal, iron, salt, cotton, wool, land and air communications in North China. The group in the North strongly opposed the Kodama Mission and, according to report, took steps to prevent Kodama and his associates from visiting Tientsin and Peiping as a group. However, it is well to remember that while controversies have developed, they are largely concerned with matters of technique or methods. Fundamentally there is little or no difference as to final objective—the control and administration of Chinese resources throughout the country.

First among the developments in the North was a *Domei* report from Tungchow, capital of the so-called East Hopei Neutral Zone, to the effect that the Japanese had decided to develop a new harbor at the town of Ta Chin located at the mouth of the Lan River about midway between Tangku (port of Tientsin) and Chinwantao, which is located just south of the Great Wall and is largely owned by the British-controlled Kailan Mining Adminstration. Construction of the new port would be carried out in two stages, first, on the harbor and a motor highway linking the town of Ta Chin on the coast with Tangshan, in which area is located most of the coal mines belonging to the Kailan Mining Administration; later a railway will be constructed connecting Tangshan with the new harbor.

This report aroused attention in Shanghai, because of allegations that it was the first definite move of the Japanese to oust British interests which control the Kailan Mining Administration. The fact that most of Shanghai's industries depend upon Kalian coal for fuel is sufficient to indicate the importance of this subject to this city.

Within recent days there have been numerous reports regarding Japanese activities in the vicinity of the East Hopei Zone and the Peiping-Tientsin district, these areas being somewhat comparable to the Cardiff district of Great Britain, due to the location within these North China districts of most of China's resources of coal.

The *Shanghai Mainichi* on March 20 stated that the Hsin Chung Company, a subsidiary of the South Manchurian Railway, is shortly taking over the Lungyen Iron Mines located near Peiping. Another report in the *Sin Wan Pao* confirmed that negotiations were proceeding between the Japanese authorities and Chinese officials in North China, whereby the Japanese would take over the exploitation of the Lungyen Mines. Another report in the *Sin Wan Pao* on March 22 stated that the Japanese had taken over the Yueh Hwa glass factory at Chinwantao, which had been reorganized into a "Sino-Japanese" enterprise. A further report from Tokyo by the *Central News Agency* said that Japan's far reaching program to become self-sufficient in oil would result in the early organization of a Yen 100,000,000 company to encourage production of synthetic oil and oil exploration enterprises in North China. The government will extend support to private interests, particularly the Mitsubishi Synthetic Oil Company, which is turning attention to Shansi Province, where extensive coal fields exist and where there are large deposits of oil. Another powerful Japanese enterprise interested in the exploitation of Chinese coal is the Oriental Development Company, one of Japan's oldest semi-official groups concerned with development on the continent. A report in the *Yomiuri* on March 16 stated that the Oriental Development Company was creating a new enter-

prise which would be known as the Oriental Development Mining and Railway Company, with an initial capital of Yen 2,000,000 including some Chinese capital. It was planned to produce 300,000 tons of coal the first year, the amount to be increased to 500,000 tons after five years.

Another *Domei* report from Hsinking, capital of Manchukuo, on March 28 stated that the Oriental Development Company, having acquired the property of (Chinese) Great Wall Coal Mining Company, is now planning the organization of a joint Sino-Japanese concern for the exploitation of other coal deposits in North China, estimated at 50,000,000 tons. Another report in the *Shanghai Mainichi* stated that the Chang Cheng Coal Mining Company recently reorganized into a Sino-Japanese concern, controlled reserves sufficient to provide profitable workings for many years. The *Central News Agency* (Nanking) on March 20 stated that the Lincheng Administration of the Chinese Mining Corporation at Shanhaikwan would shortly be reorganized into a Sino-Japanese enterprise. The chief owner of this company was General Chi Hsieh-yuan, once military controller of Kiangsu, Anhwei and Kiangsi, and now a member of the Hopei-Chahar Political Council. The report stated that Gen. Chi probably would be the chairman of the new Sino-Japanese concern.

Since Japanese financiers, aside from those concerned with the cotton monopoly, had previously refused to make heavy investments in North China, it was significant that reports have been published in Tokyo recently to the effect that the financiers and industrialists affiliated with the Kwantung Army will use the balance of Japan's share of the China Boxer Indemnity in financing their enterprises in North China. The amount remaining in Japan's portion of the indemnity is not known but is thought to approximate Yen 40,000,000. It was stated that the Boxer money would be used to finance the new railway connecting Tsangchow, located a few miles south of Tientsin on the Tientsin-Pukow Railway, with the town of Hsihchiachun, which is located on the Peiping-Hankow Railway south of Peiping and adjacent to Shansi. There was a further report from Tientsin stating that the Hsin Chung Company, subsidiary of the S. M. R., had formed a new transportation agency, known as Tangku Transportation, to ship Chinese salt to Japan, but the *Ta Wan Pao*, on March 27, said that this company, as well as another Japanese concern known as International Transportation, is primarily concerned in the shipment of smuggled merchandise. The *Ta Wan Pao* charged that many Chinese officials of North China were involved in the smuggling scandal, otherwise the large quantities of smuggled merchandise would not be allowed to accumulate at the chief stations of the various railways. The Tientsin paper claimed that Nanking's attempt to organized a strong armed anti-smuggling unit in North China had aroused the opposition of General Sung Cheh-yuan, who feared that such action "would not be tolerated by the Japanese."

It was regarded as of considerable significance in North China that the official Japanese *Domei News Service* on March 25 openly attacked the "lukewarm attitude" of the Japanese consular authorities in North China. The report claimed that Chinese Customs authorities were seizing "legitimately imported" Japanese goods; hence the Japanese could not understand why their own diplomatic authorities were "leaving Nippon commodities at the mercy of the Chinese Customs." The report declared that the traders of East Hopei were greatly dissatisfied with the attitude of the Japanese consular authorities and stated that it would be necessary for them to resort to "discretionary measures", unless they were given consular protection. It was claimed further that the Chinese Customs authorities were adversely affecting Chinese merchants in the native city, due to searches which were being made for smuggled merchandise. The report in the official Japanese news agency, obviously under military influence, declared that Japanese residents in North China would be compelled to "withdraw to their own country if the Chinese Customs authorities are allowed to continue present measures . . . Incidents similar to the Tsangchow firing incident will occur in succession, if the Chinese authorities continue to use armed force against East Hopei traders. How long can the Japanese authorities tolerate these anti-Nippon acts? The Japanese community hopes that the Japanese authorities will take strong measures for the protection of Japan's trade in North China."

The *Asahi Shimbun* (Tokyo) stated that the Foreign Office had received reports from Tientsin indicating that the trade of the East Hopei Government had steadily advanced and reached a total of approximately $74,000,000 for 1936, of which some $35,000,000 had been re-transported to Shantung, Anhwei, Honan, Shanghai and Yangtsze Valley ports. Legitimate imports through the Tientsin Customs House declined by $13,000,000. That the amount of merchandise (smuggled) through East Hopei is continuing to increase was indicated in the January figures showing imports of $11,000,000 as compared with $6,000,000 for January 1936.

On the larger subject of Sino-Japanese economic cooperation it will be remembered that one of the members of the Japanese Economic Mission on his return to Tokyo stated that there was little possibility of cooperation outside of North China. This remark, which aroused considerable attention both in China and Japan, would seem to indicate that the Japanese industrialists, aside from cotton exploitation, will concentrate in the North. The

Shanghai Mainichi in the course of an editorial published on March 29 referred to the divergent views of China and Japan on the North China problem declared, that the "enforcement of Sino-Japanese economic cooperation in the development of North China is beyond question." The paper stated that when the Chinese insist upon the adjustment of political questions prior to a discussion of economic cooperation they overlook the fact that the nearness of North China to Manchukuo has created "special conditions" which cannot be ignored. "Since the Mukden incident in the fall of 1931, the status of North China has changed due to its geographical nearness to Manchukuo—which provides the reason for Sino-Japanese cooperation in the North . . . Therefore the only question which must be settled, in combination with the North China problem is, without doubt, the issue of Sino-Japanese economic and cultural cooperation in Central and South China . . . What we are driving at is that China must realize that the existence of the special status of North China is due to the nearness of that area to Manchukuo; hence North China cannot serve as a base for anti-Japanese anti-Manchukuoan campaigns. Japan has no territorial ambitions in North China and is only concerned with the 'rejuvenation' of the Orient."

Half of Japan's Record Budget Will Be Spent on Armaments

The Japanese House of Peers March 29, passed the Budget Bill together with the Supplementary Estimates Bill. Japan's largest peace-time budget totals Yen 2,813,907,000, and went into effect April 1. Forty-nine percent of this sum will be spent on armaments.

Japan Faces New Diet Crisis—Two Major Parties Insist on Revised Election Law

Japan faces a serious parliamentary crisis, as the result of a new controversy between the Government and the Lower Chamber.

Representatives of the two major parties, the Minseito and the Seiyukai are demanding the immediate submission of the revised Election Law for discussion by the Diet. The Government's failure to do so would be met by the major parties with a refusal to consider any of the important bills whose passage is sought by the Cabinet, it was threatened. The Diet was later ordered dissolved. New elections will take place end of this month.

Japanese Army and Navy Want Diet Session Prolonged

With the seventieth session of the Diet due to be adjourned this week, the Fighting Services made ready Mar. 28 to ask for a prolongation of the parliamentary deliberations.

Offenses Against Military Secrets Act Said on Increase in Japan

Offenses against the Military Secrets Act more than doubled from 1934 to 1936, statistics submitted by the War Office to a Japanese Lower House committee studying a revision of the act revealed March 29. According to these figures, 31 offenses against the act were recorded in 1934, 103 cases were investigated on suspicion. In 1935, the offenses decreased to 11, but last year they jumped to 79. Meantime, 143 investigations into suspected cased were conducted in 1935 and 180 in 1936.

Japanese Government to Subsidize Synthetic Oil Production

Subsidies totalling Yen 95,000,000 will be paid out by the Japanese Government in the next seven years to the producers of synthetic oil to cover the margin between the production costs of synthetic and mineral oil, Vice-Admiral Dr. Takuo Godo, Minister of Commerce and Industry, announced in the Diet Mar. 23.

Third and Last Gold Shipment Made from Kobe to the United States

Carrying aboard the third and last of Japanese gold shipments, the s.s. *Tokai Maru* of the Osaka Shosen Kaisha sailed for San Francisco from Kobe Mar. 27 with 4,077,396 grams of the yellow metal in her holds, valued at Yen 15,800,000.

Plight of Japanese Farmers Attributed to "Faulty Social Structure"

Japan's "faulty social structure" was blamed in the Diet Mar. 22 for the plight of millions of her farmers. In an interpellation marked by bitterness, Wahei Ikuta (Seiyukai), informed his colleagues that the farmers' indebtedness stood at Yen 4,091,-000,000 as of Aug. 1, 1935. Their defaulted interest payments stood on the same date at Yen 400,000,000.

In addition to these debts, Mr. Ikuta said, the farmers still owe Yen 230,000,000 for fertilizer supplied to them the previous year.

"There is no doubt," he declared, "that the inefficient organization of the nation's economy must be held to blame for the farmers' plight."

Indo-Japanese Trade Parleys End in Agreement

The trade negotiations in New Delhi between India and Japan, which have been in progress for nine months, are understood to have ended in an agreement March 29. India is reported to have accepted Japan's compromise proposals.

Details Revealed of Burma-Japan Trade Pact

The terms of the Japan-Burma trade agreement, concluded on March 1, were revealed in Tokyo, March 25 by a spokesman of the Foreign Office.

Under the terms of the accord, Japan will purchase 65 per cent of the Burmese production of raw cotton, but not in excess of 70,000 bales a year. In exchange for this, Burma agreed to accord Japan the most-favored-nation treatment and to import annually 42,000,000 sq. yds. of Nippon-made cotton textiles.

Japan Makes Determined Effort to Be Self-Supporting in Oil

Determined to make the Island Empire self-supporting in oil, the Japanese Government has decided to appropriate a total amount of Yen 100,000,000, to be spread over a period of seven years, for encouraging the production of synthetic oil. The Mitsubishi Synthetic Oil Company is turning its attention to North China. particularly Shansi, to acquire extensive coal fields there.

Japanese Army Not to Lower Conscription Age

The lowering of age requirements for Army conscripts is not being considered at present, Gen. Sugiyama, Minister of War, declared in a Lower House Committee meeting Mar. 27 in answer to a question.

Mission to London to Discuss China Problems

Domei states that Anglo-Japanese co-operation in the economic development of China will be among the subjects the Japanese Economic Mission to Great Britain will discuss with British Government officials and business leaders in London. The Mission will emphasize that Japan harbors no political ambitions in carrying out her China policy. The mission to Great Britain will also discuss problems of Japan's trade with the British Dominions, the world markets and wide opportunities for the acquisition of natural resources in British possessions.

Britain and America Agree to Cancellation of Perpetual Land Leases in Japan

Notes were signed at the Tokyo Foreign Office Mar. 25 by the Japanese Foreign Minister, Naotake Sato, the British and American Ambassadors embodying an understanding for the abolition of the perpetual land leases held by British and American nationals in Japan. The notes provide that: the system of perpetual land leases is to come to an end on April 1, 1942 when the leases will be converted into landownerships without compensation; and that the status quo shall be maintained regarding exemption from taxes, no further claims being made by the Japanese authitiores for such disputed taxes as may still be uncollected.

All Japanese newspapers hailed the new agreements as removing the last remnant of extraterritoriality, and as fresh evidence of the traditional friendship between Japan, on the one hand, and Great Britain and America, on the other. Commenting on the agreements, the Foreign Office spokesman traced the origin of the system of perpetual land leases and described the difficulties which had been encountered in liquidating the problem, which had proved one of the most difficult to solve in the annals of Japan's diplomatic negotiations.

Chinese nationals are among those who hold leases of this kind, and negotiations are now in progress between the Japanese and Chinese Governments, and also with the French and Italian Governments, to put an end to these perpetual leases, which involve an area of about 119 acres, distributed variously in Tokyo, Yokohama, Kobe and Nagasaki. Of this total Britons hold 52 acres and Americans 26 acres.

These perpetual leases were granted as one of the conditions to the Western Powers agreeing to the abolition of extrality in Japan in 1894, negotiations for which had commenced in 1883. Their value in recent years had to a large extent been nullified, as the provision that these leases were not to pay any taxes were not observed by the various district and municipal taxing authorities in Japan, who insisted that the holders of this land should pay taxes in the same way that Japanese had to. In such cases where the lessors insisted on their strict treaty rights the Japanese officials concerned invoked exrta-legal measures which in most cases convinced the lessors that it was advisable to pay the taxes rather than to resist.

What Is America's "New Concept" of China?

BY C. Y. W. MENG 孟憲彝

RECENTLY some of the powers having close relations with China announced their "new concepts" of China.

"Japan must acquire a new concept of modern China if the two nations are to reach an understanding," said Ambassador Kawagoe, when he advised his government to adopt a changed attitude towards China. He said: "My own opinion has changed since my transfer from the North and I have acquired a number of 'new ideas' as the result of my stay in Nanking. . . . ."

Britain's New Concept

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, in a speech before the British Chamber of Commerce in Hankow, said:

". . . For I believe that our position in China, taking the longest view of the question, will be better served on the basis of mutual sympathy and goodwill than on that of stipulations and agreements drawn up many years ago in circumstances very different from those of today....It is perfectly true that there exists a Treaty basis on which we can rest our case against the establishment by the Chinese Government of monopolist systems which adversely affect our own interests, and I am fully prepared to employ the arguments thus provided. But in doing so, care is required not to contradict our general attitude of sympathy with progress.....These treaties have existed for nearly 100 years and were drawn up to provide for conditions some of which have passed and many of which are becoming more and more out of date. By themselves they would be scarcely adequate to meet present-day conditions where active Government interference in trade is the rule and not the exception as in so many countries. It would be foolish not to be frank with ourselves and not to face this fact...."

Sir John Brenan, the departing British Consul-General in Shanghai, in his speech before the British Chamber of Commerce in Shanghai, also called the attention of British nationals in China to the fact that "a strong and orderly China would inevitably mean the gradual curtailment of foreign privileges of the kind that are not enjoyed in other parts of the world. . . ."

Is America's New Concept: "To Get Out of China"?

Does America also have a "new concept" of China? Recently there has been much talk of American withdrawal from the Far East.

It is not infrequent that American publicists have advised the American Government "to withdraw from China."

Recently there were editorial references in *The Review* to the writings of Frederick Moore, long an employe of the Japanese Foreign Office and Willard De Mille Price, also a resident of Tokyo, both of whom advised the American authorities to withdraw from China. They used the argument that the sales of American goods in China, amounting to some U.S. $40,000,000 a year, did not produce a sufficient profit to cover the cost of American armed forces stationed in China, presumably for the protection of Americans engaged in Sino-American trade.

Only a "Misconception"

China has a population of 466,785,856. Any slight increase in the production and purchasing power, say by only $2.00 per capita, would mean no less than a billion dollars in increased trade! What other country possesses such potentialities for foreign trade? Let us refer to the Report of the American Economic Mission to China:

". . . .A vast change is coming over China; a modernizotion that as compared with ten or even five years ago, marks many centuries. This change presages the opening up of her vast territory, with her millions of people, as the most important trade centre in the world for several decades to come. No commercial nation can afford to neglect this market, and least of all America with her capacity to produce what China needs, and her ability to consume what China can produce....The vast province of Szechuen with its population estimated at 65,000,000 presents many opportunities for industrial development....."

Sir Frederick Leith-Ross, High Economic Adviser of the British Government, also pointed out, "When the Chinese house has been set in order, the inhabitants will develop a higher standard of living and that will lead to an increase in the value of trade generally, and in particular to a rich market for British high grade goods."

It is admitted that the cost of America's trade with China is "high" due to the continued maintenance of "imperialistic" activities which a dignified nation, long regarded as China's "best friend," should be able to rectify. Due to the traditional friendship between the two countries there should be little difficulty for Americans to work out some method whereby American trade with China could be made more profitable. If it is true that the Americans have finally decided that their trade is definitely unprofitable, then it would appear that the time is propitious for making some fundamental alterations in the relationship of the two countries. In the first place the State Department should discontinue its policy of "persistently sticking" to treaties which obviously are out of date and which the Chinese people generally have designated as "unequal." In the second place the United States should take the lead in re-adjusting its "special privileges" rather than insisting on a continuance of conditions which constitute the greatest obstacle to the development of friendly trade relations. The writer has frequently urged the American Government to take the lead in adjusting the problem of exterritoriality, rather than following the practice of waiting until some other nation has forced the issue.

A similar situation prevails with respect to the stationing of foreign troops on Chinese soil. American publicists, suspected of being under Japanese influence, have referred to the high cost of maintaining American soldiers and Marines on Chinese soil. While it is admitted that America's independent withdrawal of these troops at the present time would only have the effect of simultaneously strengthening Japan's military postion, this does not preclude America's initiating a move for the simultaneous withdrawal of all foreign forces from China soil.

Another American "New Concept"

While, to "get out of China," may be a new "concept" of American policy in the Far East, and admitting that isolationists and mis-informed pacifists as well as propagandists under alien influence do play an influential part in American politics, there are, undoubtedly other Americans who think differently. This was indicated in the latest issue of the bi-monthly bulletin of the (American) Foreign Policy Association, to which T. A. Bisson is a frequent contributor. Mr. Bisson, generally recognized as an authority on American policy, is now traveling in the Far East. Mr. Bisson declared:

". . . .In surveying the new Far Eastern epoch which dates from September, 1931, many observers have been struck by the similarities which it presents to an earlier period—the years from 1914-21. At that time Japanese expansion on the Asiatic mainland was no less extensive than in recent years. By 1921 Japan had greatly enlarged its political and economic interests in Manchuria, entrenched itself in Shantung province, secured special rights in Fukien province and the Yangtze valley, and spread its troops over wide areas of eastern Siberia. These results had been obtained in various ways: declaration of war on Germany and military occupation of the German leased territory in Shantung province; the Twenty-one demands on China and the resulting Sino-Japanese treaties and notes of May 25, 1915; and continued occupation of a section of Siberia, following withdrawal of the inter-Allied expedition in 1920.....These protests were delivered independently of any other power, and were not backed by any form of military or naval pressure. Essentially, the American Government reserved the right during these years to deal with the new situation created in the Far East at some later and more opportune time....Taken as a whole, these policies of the first Roosevelt administration carried even further the general principles underlying the Stimson policy of postponing any immediate or decisive action on the issues raised by Japanese aggression in the Far East.....But while the American Government, in defense of this settlement, fought what was essentially a rear-guard action, it did not abandon the field, Its actions were stimulated by what might be interpreted as a more realistic estimate of the situation and of the methods required to deal with it....In this case, as also in the non-recognition stand, the Washington authorities sought to keep the legal status clear should they decide at some future time, to take affirmative action to uphold rights which accrued under the Nine-Power Treaty.....".

Similarities of 1914-1921 Situation

Indeed, along some lines the Far Eastern situation has followed a course remarkably similar to that of the year preceding the Washington Conference! First: We witness today an armament race among nations similar to what was going on among European nations and Japan after the War, and which was one of the chief causes for President Harding's decision to call the Washington Conference. Emil Ludwig, another eminent writer on international affairs, in an article on "The Coming War" in the March issue of *Current History*, said that President Roosevelt "really holds the key to peace":

In his book on "Chaos or Reconstruction," Dr. Buell, President of the American Foreign Policy Association, says:

". . . . . .The rearmament policy of the United States could be defended if it were accompanied by a constructive foreign policy to cooperate with other powers in maintaining a united front against aggression and removing underlying pressures working toward war. Thus a policy of joint military pressure on the part of the United States, Britain, the Soviet Union and France might now bring Japan into a *new Washington Conference*. American initiative in behalf of an economic disarmament conference, limited

initially to six or seven great powers, might break the existing deadlock in Europe.....President Roosevelt, occupying a unique position as a world statesman, may hasten such an understanding if he is willing to assume certain responsibilities.....".

". . .One single man might still prevent the coming war. This man is Franklin D. Roosevelt. He knows this and he has the consciousness of a historical mission. But the forces against him are powerful for America erroneously believes that Europe can and should take care of itself. They refuse to recognize the dangerous position they would be forced into if Germany and Japan should win. Possibly President Roosevelt will take a decisive step to preserve world peace. To carry the day he would need the unanimous support of his people. But at present the nation sees only the shadow of Wilson, whose merits they do not comprehend. Unless America intervenes, war is inevitable".

In other words, America has again reached a position where that nation could assume a position of leadership in world politics.

There is a further point of similarity. After a period of aggression in China, Japanese liberal sentiment seems to be again needing expression—a situation which made the acceptance of the American invitation to the Washington Conference, acceptance of the naval 3-5-5 ratio, and the withdrawal of the Japanese Siberian expedition, possible. The re-entrance of Japanese "liberals" into politics, as predicted by Col. Stimson, in his famous book "The Far Eastern Crisis" may be a possibility. When Kunimatsu Hamada, leader of the Seiyukai, chief minority party in the Japanese Diet, launched a virulent attack upon the militaristic Hirota Government, he was doing no more than expressing the sentiments of an increasing number of Japanese who are beginning to question the wisdom of allowing the Army to drag them across Asia. The Hirota Government was, he claimed, the most unpopular he had seen in 30 years; it was permitting the Army to interfere unduly in politics and, by so doing, was heading directly toward a fascist regime in Japan.

Roosevelt Should Call a Conference

We have a situation somewhat as follows: For America to get out of China or the Orient is not only physically impossible, but too fantastic to receive serious thought. It will be a suicidal move for American national interests. The world is again facing a situation similar to that on the eve of the Washington Conference when America held the key to general peace, and when America boldly assumed leadership in world politics. As pointed out by Mr. Bisson the present situation in the Far East is not necessarily more serious than that of 1914-21. Yet, the then menacing situation was saved, and the Japanese "march" on the Asiatic Mainland was brought to a halt by the efforts of the late President Harding and *his* Washington Conference. So the world today is again looking for American leadership to avoid another "war," and the Chinese people are looking for President Roosevelt to move and call another Washington Conference!

While the return of Shantung to China and the withdrawal of the Japanese expedition from Siberia were the chief topics of discussion on the agenda for the Washington Conference of 1921-22, the return of Manchuria and Jehol to China and the withdrawal of the Japanese forces from Northern China would undoubtedly constitute chief topics for the agenda of a "Washington Conference 1937-38." In 1921-22 there was the absence of the Soviet Union, but in 1937-38, this can be rectified by her adherence and attendance, which would mean a great strengthening of such an international conference on Far Eastern affairs!

When Americans were too busy with their own domestic affairs and when American defences had been neglected, we did not blame the Americans for their failure in not acting energetically when China was facing her greatest crisis. Under such circumstances, we realized as well as the Americans that what the Americans could do was, on the one hand, to refuse to recognize a situation brought about by means of force; and on the other, to keep the issue open to be taken up at an opportune time. But now that, six years have passed, and the situation has steadily grown worse, the Chinese are anxious to have it settled, once and for all. Today, we find the world again looking for American leadership to save us from another war; today, we find some indications of change in Japan. We Chinese, consider that an opportune time has come for the Americans again to take up old issues and to take definite and far-reaching action.

To put it another way the situation, as it stands today, is this: So far as the Chinese are concerned, they are going ahead far more vigorously in their military preparations and ultimately will fight a decisive war with the "invaders" to demonstrate to the world that China has awakened, and that China is determined to recover her "lost territory" by means of force. But so far as the Americans are concerned, it is their duty to intervene, and to call another Washington Conference to discuss the situation in the Far East and try to save the situation before it is too late.

So, on one hand, we urge the Foreign Office in Nanking to realize the realities of the situation and immediately embark on "active diplomacy." Chinese leaders in the Government should "redouble" their efforts in military preparations for war with the invaders. On the other, we urge the American Government and Americans generally not to get out of China but to alter their wrong "new concepts" and call another Washington Conference. This would be a correct "new concept" toward China, the Far East and the world as well!

Nanking, Mar. 25, 1937.

Photographic Regulations Need Amendment

BY CHEN PAO-LIANG

Little known by most people, a crisis between professional news photographers, including newsreel men, and Nanking has been reached, the outcome of which will either mean that news photography in China will come to a complete halt, or that the Chinese authorities will finally realize their present shortsightedness and draft regulations to assist photographers, rather than to hinder then.

If news photography comes to a halt the consequences will be that the most effective means of favorably depicting China abroad —through pictures and newsreels—will stop. If news photography is allowed to proceed through its natural channels, it will mean that a flood of material beneficial to China will reach a most interested and sympathetic public.

The situation in a nutshell is this: no regulations exist for professional news photographers, "still" or movie cameramen. Regulations were passed by the Executive Yuan in 1931 applying to foreign photographers in China (printed in full in the *China Weekly Review* of April 11, 1936). These regulations provide, inter alia, that (1) the photographer possess a passport; (2) that the photographer before filming, secure a written permit from local authorities; (3) photographers must avoid subjects prejudical to the racial dignity of the Chinese nation, contrary to the Three Peoples' Principles, contrary to the good morals and customs of the country, and subjects superstitious or grotesque; (4) that motion pictures must be censored by the Motion Picture Censorship Committee before being exported.

These regulations, even for the purpose intended, apply, obviously, to amateur photographers. But even here, no distinction is made between "still" photographers and movie photographers.

As applied to amateurs, the results of these regulations have been confusing and have often caused much trouble for both foreigners and the authorities. According to the regulations, anyone who snaps a picture anywhere in China must first have written permission from local authorities. This is true whether the pictures are simply snaps or movies. Now the local authorities, as will be shown later, have no idea of the regulations and, for the most part, simply prohibit any and all pictures from being taken. It should be obvious that these regulations need revision. In short, amateurs should be given carte blanche, the only exceptions being public functions where amateurs would clutter up or obstruct proceedings and scenes having military or strategic importance.

But what about professional *news* photographers? No regulations whatsoever exits for them. As a result, the authorities have—and are now—attempting to apply the regulations existing for amateurs to professional news photographers.

Professional news photographers can be divided into two categories: "still" photographers and movie, or newsreel, photographers. In the first category there are numerous accredited representatives from all countries representing most leading publications of the world. The second category is a small group, and includes mainly newsreel photographers representing *Hearst Metrotone News*, *Universal Newsreel*, *Paramount News*, *Fox Movietone News*, and a Japanese newsreel concern. There are also a few free-lance professional newsreel men.

It should be apparent that another set of regulations should be drafted for these men. It is apparent that these news photographers cannot apply beforehand for permits to take pictures of spot news events, such as fires, ship-wrecks, explosions, wars, etc., which constitute the bulk of their assignments.

In attempting to apply the thoroughly inadequate regulations for amateurs to professionals, what has happened? In the past, newsreel men have simply disregarded the regulations, often with the co-operation of the highest Government officials, including General Chiang Kai-shek. Their films taken, they were forced to export them by various means secretly. But of late, especially in the past six months, the authorities have "clamped down" and have effectively blockaded the work of professional news cameramen in China. They have done this by making professional photographers comply in full with the amateur regulations. But even in cases where photographers have complied, they still were unable to take legitimate news pictures. A worse state of affairs could hardly be imagined.

Obviously what is needed is a separate set of regulations for accredited news photographers in China. They should provide for the issuance of a definitive permit to each accredited news photographer in China, a permit which would instruct the "local officials" to help, rather than to obstruct, professional news photographers. Such regulations exist in all other countries which realize the tremendous and irreplaceable value of news pictures.

As to censorship, as far as I can see, none should be necessary. All professional news photographers in China have been here for years: they know just what to film and what not to. In the case of military subjects, a system of definitive prohibition of certain locations and subjects could easily be worked out. To require newsreel photographers to have their films censored before shipment constitutes a hardship which in the past was not complied with despite the regulations. A continuation of the present situation will put a stop to legimate news photography in China, thus preventing a sympathetic world from knowing by the best medium possible, what is happening in the country.

General Chiang Summons Important Conference at Hangchow; Dr. Kung Leaves For England

Latest developments are General Chiang Kai-shek arrived at Shanghai from Hangchow April, and was granted two more months' leave by the C. E. C. Standing Committee. Dr. Wang Chung-hui, Foreign Minister, was appointed Acting President of the Executive Yuan.

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **General Chiang Receives Northwest Commanders at Hangchow.**
2. **General Han Fu-chu Arrives at Hangchow to See Generalissimo.**
3. **General Chu Shao-liang Appointed New Chairman of Kansu.**
4. **Tokyo Papers Unanimously Declare Economic Mission a Failure.**
5. **Tungpei Army Issues Farewell Message to Northwest People.**
6. **Publicity Director Gives Views on Red and Japanese Problems.**
7. **Nation Pays Tribute to 72 Revolutionary Martyrs of 1911**
8. **Acting Shanghai Mayor Says Status Quo to Be Maintained.**

An important conference is reported to have been summoned by General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, at Hangchow. Among those attending the conference are Generals Yang Hu-cheng, Pacification Commissioner for Shensi, General Yu Hsueh-chung, Chairman of Kansu, General Hu Chung-nan, Commander of the 1st Army, General Ho Kuo-kwang, Director of the Generalissimo's Provisional Headquarters at Chungking, General Tang En-pai, Commander of the 13th Army, and several others.

After receiving instructions from Gen. Chiang Kai-shek in Mar. 29, Gen. Yu Hsueh-chung and Yang Hu-cheng were entertained at dinner in the night by the Generalissimo. Gens. Yu left for Fenghua Mar. 30 to see Chang Hsueh-liang, formerly acting Commander-in-Chief of the Communist-suppression Forces in the Northwest. The two Northwestern generals arrived at Hangchow accompanied by T. V. Soong and Gen. Wu Te-cheng, newly appointed Chairman of Kwangtung.

In a written statement to the press General Yang Hu-cheng, who arrived at Hangchow Mar. 29, said that his sole mission is to report to General Chiang Kai-shek on the reorganization and garrison duties of his troops in accordance with the instructions of the Central authorities. The various units under him have been reorganized into two divisions and the Headquarters of the 17th Route Army, of which he was concurrently Commander, has been abolished. The scope of the Pacification Headquarters for Sian is also being reduced. Referring to conditions in the Northwest, General Yang said that through the widespread proclamation of the goodwill of the Central Government by General Ku Chu-tung and inspired by the grand personality of General Chiang Kai-shek, the North-western soldiers and people are now imbused with a new spirit and are stronger in their support of the Central Government. With the country now unified, there is but one task: to strengthen the Central Government and obey the leader (General Chiang) in order to realize the objective of resisting the "enemy" and saving the country. At present, there is no such thing as a "North-western problem." Endorsing the views of General Yang, General Yu Hsueh-chung said that there is no longer any Northwestern issue. There is only one common goal at present, that is, for all to pledge obedience to the Central Government, reinforce the unification of the country and exert their utmost to resist foreign aggression against this country.

According to *Shanghai Mainichi* Mar. 27, matters for discussion at the military conference in Hangchow are the transfer of the Tungpei troops, reorganization of the Communist army, re-distribution of government troops and the current trouble in Szechwan.

At the Military Conference, *Shanghai Nippo* reported Mar. 29, that it is likely that General Chiang will decide his policy towards the following matters: (1) The transfer of the Tungpei troops from Kansu and Shensi; (2) The reorganization of the Chinese Red Army; (3) The plan for the convocation of the National Defense Conference for the establishment of a positive policy vis-a-vis Japan in response to the platform of the Szechuen militarists. *Shanghai Nippo* further reported that at the forthcoming interview with General Chiang, Yang Hu-chang will express his loyalty to the Central Government by acceptingt he order of the Central Government to the effect that his troops will be reorganized, on the condition that his position be assured. Meanwhile, General Chiang has requested the Shantung Governor, Han Fu-chu, to proceed to Hangchow for the purpose of giving him important instructions that a closer connection should be effected with General Han's units, as a result of the recent completion of the first national defense line in North China with the North-West troops under Yang Hu-cheng being the left wing defenders following the complete transfer of the ex-Tungpei troops to Anhwei and Honan. Laying particular emphasis on the necessity of a mutual understanding between the ex-Tungpei troops and the Shantung units, General Chiang would summon Yang Hu-cheng and Yu Hsueh-chung to participate in his conference with Governor

WHEN GEN. CHIANG KAI-SHEK ASSUMED COMMAND OF THE NATIONALIST ARMY

This picture, the prized possession of Lo Chin-ching of Shanghai, was taken eleven years ago at Canton when Gen. Chiang Kai-shek assumed the post as Commander-in-Chief of the Northern Expedition Army in Kwangtung early in 1936 with other C.E.C. members of the National Government. From left to right: General Chiang Kai-shek, Chen Kuo-fu (left behind General Chiang), Hu Han-min (deceased), Chow Chi-kang, (left, behind Mr. Hu), Tsai Yuan-pai, Wu Chih-hui, Li Shih-tseng, Chiang Tso-ping and Kan Nai-kuang.

Han, for a mutual discussion of the cooperation between their troops. It is understood that such policy to be taken by General Chiang is aimed at the disruption of the influences in North China, so that he might place Shantung and Shansi under the control of the Central Government, thereby facilitating a favorable settlement of China's foreign relations by consolidating internal administration.

Chow Tso-ming, managing director of the Kincheng Banking Corporation and chairman of the Sino-Japanese Trade Federation, submitted a report to Gen. Chiang Kai-shek on the results of the first conference of the Federation which took place recently in Shanghai.

SHANTUNG CHAIRMAN ARRIVES AT HANGCHOW

Gen. Han Fu-chu, Chairman of Shantung, arrived at Hangchow March 31 to interview General Chiang Kai-shek. Gen. Han reached Nanking Mar. 30. At the Nanking Office of the Shantung Provincial Government, Gen. Han was closeted with Gen. Ho Ying-chin for a short while. "First," Gen. Han said to press representatives, "I see to it that peace and order reigns in Shantung so that people can enjoy living and pursue their callings. There are no longer any bandits in the province, because I cleared them all up." "To give the people self-governing power is not enough," Gen. Han said. "What is of greater importance is that they should know how to exercise this power properly." "Then," Gen. Han continued, "the nation's armed forces alone cannot shoulder the entire responsibility of building up a strong nation. It is a matter which concerns every one of us. The immediate problem, however, is how to organize and train people for such an important task." Gen. Han declared that during the last few months, the Shantung authorities have not been called upon to deal with many important Japanese issues. Through the close co-operation between the provincial authorities and the customs officials, smuggling activities in Shantung have been greatly curbed. Not long ago the Japanese approached Gen. Han for permission to set up agricultural experimental stations and cotton mills near Tsinan. Their requests, however, were courteously but firmly refused.

GEN. CHU SHAO-LIANG NAMED NEW CHAIRMAN OF KANSU

Gen. Chu Shao-liang, until recently Pacification Commissioner for Kansu, was appointed Chairman of the Kansu Provincial Government by the Executive Yuan at its weekly meeting Mar. 30. Gen. Chu succeeds Gen. Yu Hsueh-chung who is now in Hangchow conferring with Gen. Chiang Kai-shek. The Executive Yuan also named Gen. Ouyang Chu, former member of the Military Advisory Council as Secretary-General of the Kwangtung Provincial Government, succeeding Chen Hsueh-lu who has been transferred to another post. Gen. Ouyang was one time deputy-commander of the First Independent Division when Gen. Wu Te-chen, new Kwangtung Chairman, was commander. The resignations of Li Ting-yu, Wang Keh-min and Leng Chia-chi as members of the Hopei-Chahar Political Council was accepted. Gen. Feng Chi-an, Chairman of Hopei, Teng Chih-hsi and Chang Hsi-chao were appointed as new members to the Council.

MME. CHIANG KAI-SHEK CELEBRATES BIRTHDAY ON DAY OF FLOWERS

Madame Chiang Kai-shek, wife of the president of the Executive Yuan, quietly celebrated her 40th birthday in Hangchow Mar. 24 which, in the lunar calendar, was the 12th day of the Second Moon and, therefore, the Birthday of Flowers. Close relatives of the Chiang and Soong families were present at Villa Cheng Lu where the Generalissimo and Madame Chiang are now staying. A feast was given at noon. T. L. and T. A. Soong, younger brothers of Madame Chiang, were among those present. Madame Chiang's birthday substantiates an old superstition in China that girls born on the Birthday of Flowers are destined to be prominent, wealthy, happy and, above all, to marry distinguished husbands.

Gen. Chiang Kai-shek's resignation from his concurrent post as a member of the State Council, was accepted by the Standing Committee of the Central Executive Committee at its meeting Mar. 25. Chang Chia Hutukehtu, Living Buddha and Pacification Commissioner of Mongloia, was appointed a member of the State Council.

General Chiang Kai-shek had another X-ray examination at the Railway Hospital in Hangchow Mar. 28. The result showed a slight improvement over the examination taken last month.

DR. KUNG DEPARTS FOR ENGLAND AS CHINA'S ENVOY TO KING GEORGE VI'S CORONATION

Dr. H. H. Kung, China's Special Ambassador and Chief Delegate to the Coronation of King George VI, departed from Shanghai for England April 2 aboard the s.s. *Victoria*. Dr. Kung and members of his Delegation were given an enthusiastic send-off by a large gathering of high officials of the Government and representatives of the various public bodies in Shanghai. Prior to his departure, Dr. Kung was extensively entertained both in Nanking and Shanghai. Gen. Hsiao Chen-ying, former Mayor of Tientsin, also left with the Chinese delegation on April 2 to investigate industrial conditions in Europe.

A full list of the retinue to accompany Dr. H. H. Kung, and Admiral Chen Shao-kwan, Second Envoy, to London was officially announced in Nanking Mar. 24. The list reads:

Counsellors: T. K. Tseng, Vice-minister of Railways; Chu Chang-nien, Superintendent of Shanghai Customs; Chang Fu-yun, director of the Research Division of the National Economic Council; Dr. P. W. Kuo, Director of the Foreign Trade Bureau, and Sir Frederick Maze, Inspector-General of Customs.

Secretaries: Chang Ping-chun, counsellor of the Executive Yuan; Dr. C. C. Wu, secretary of the Executive Yuan; Dr. C. Kuangson Young, Managing Director of the China Press; P. T. Chen and L. T. Chen, secretaries of the Ministry of Finance.

Experts: H. O. Tong, former Salt Commissioner for Kwangtung and Kwangsi; Dr. James K. Shen, newly appointed Superintendent of the Central Hospital; Chiao Chin-liang, Li Chun-yiao and Kuo Tai-chen.

Military Attaches: Major-Gen. Kwei Yung-ching, Major-Gen. Wen Ying-hsing, Cols. Lin Hsien-hsin, Shen Teh-hsien, Wang Cheng-fu, Chou Ying-chung and Lin Chun.

Quo Tai-chi, Chinese Ambassador to the Court of St. James, was formally appointed Mar. 27 by the National Government as Second Deputy Envoy to attend the coronation of King George VI of Great Britain.

"After attending the coronation ceremony in London, I will spend two months in studying the latest progress in Europe, observations of which may be useful to China's economic reconstruction movement." Thus declared Dr. H. H. Kung Mar. 23 after his appointment as China's chief delegate to attend the coronation of King George VI. Dr. Kung recalled his trip to Europe and America in 1932 when he served as special industrial commissioner of the National Government, but as he had to hurry back home at urgent summons of the Government, he could not complete his itinerary as originally planned. After a lapse of four years, Dr. Kung said, the various European countries must have made considerable progress in economic reconstruction enterprises, and he was glad to have this chance to make the trip.

The main purpose of Dr. Kung's trip to England is to seek financial aid in European countries, first of all England, for the realization of China's five-year plan of economic construction, reported *Shanghai Mainichi* Mar. 24.

With a view to bringing about closer economic cooperation between China and Great Britain, Dr. Kung will, said *Shanghai Nippo*, Mar. 24, conduct negotiations with the British Government with the aim of bringing about a settlement of all questions outstanding between the two countries. He is also expected to establish a closer relationship with British financial circles in order to further the aims of Sino-British rapprochement.

Pointing out the large number of Customs and financial officials on the Chinese delegation to the Coronation of King George VI, the *Shanghai Nichi-Nichi* reported Mar. 24 a rumor that they would seek a "vast" loan in London. Dr. H. H. Kung, will, according to the journal, offer the London bankers as security the revenues accrued from the raising of taxes on salt and cigarettes.

MINISTERS, MEMBERS OF CHINESE DELEGATION TO LONDON DECORATED BY GOVERNMENT

Four ministers of state and sixteen members of the Chinese Delegation to the Coronation of King George VI were decorated by the National Government Mar. 30.

Dr. Wang Chung-hui, Minister of Foreign Affairs, received the Order of Brilliant Jade, First Class; Gen. Ho Ying-chin, Minister of War, Admiral Chen Shao-kuan, Minister of Navy, and Gen. Yu Fei-peng, Minister of Communications, received the Order of Billiant Jade, Second Class; Chu Chang-nien, Customs Superintendent in Shanghai, was decorated with the Order of Brilliant Jade, Third Class; Sir Frederick Maze, Inspector General of Customs, received the Order of Brilliant Jade with blue cravat; Chang Fu-yun, Chang Ping-chun, Wu Ching-chao, H. O. Tong, and Dr. C. Kuangson Young received the Order of Brilliant Jade, Fourth Class; P. T. Chen, Chen Chi-peng, Chiao Chin-liang, and Li Ching-yao were decorated with the same Order, Fifth Class; Kuo Tai-cheng and Hu Yi-kuo received the same Order, Sixth Class; Col. Hu Hsien-chun was received the Yun Hwei Medal, Sixth Class.

Dr. Wong Wen-hao, Secretary-General of the Executive Yuan, arrived at Hangchow Mar. 30 to see Gen. Chiang Kai-shek. Dr. Wong will report to the Generalissimo on affairs of the Yuan as well as to seek instructions regarding his trip to London together with Dr. H. H. Kung. Dr. Franklin Ho, Director of the Political Affairs Department of the Executive Yuan, will take over the duties of the Secretary-General during the absence of Dr. Wong Wen-hao.

SATO FURTHER EXPLAINS JAPAN'S CHINA POLICY

Japan's China policy in special reference to the economic rapprochement between the two countries formed the subject of further debate in the Lower House Budgetary Committee meeting Mar. 23. Replying to interpellations by Foreign Minister N. Sato said "Certainly North China should be viewed with different light as South or Central China. While what I advocated in paving a new diplomatic path might be interpreted to mean a reversion to the Shidehara policy, it is true that judging from prevailing conditions the question does not arise as to whether Japan's diplomacy vis-a-vis China should be positive or negative—it may be positive, and may be negative." In the course of his questioning, Mr. Ota belittled whatever results might be achieved by the Japanese

Economic Mission to Shanghai. Little importance, he said, should be attached to it, and too much hope pinned by Japan on its outcome merely betrayed her deep anxiety. Replying, Mr. Sato declared there was no fear of China seeing through Japan's psychology. The industrialization of China, Mr. Sato continued, is bound to exercise far-reaching influence over Japan. Every means is being considered by the Government to promote Japanese export to China, including subsidies for the exporters. Japan, the Foreign Minister said, will continue her efforts to ask for a revision of China's tariffs. As regards special measures for encouraging Japanese investment in North China, Mr. Sato declared while the Gaimusho would naturally be glad to see more Japanese money sunk in North China enterprises, the extent of Japan's capacity for China investment must first be ascertained by the Gaimusho.

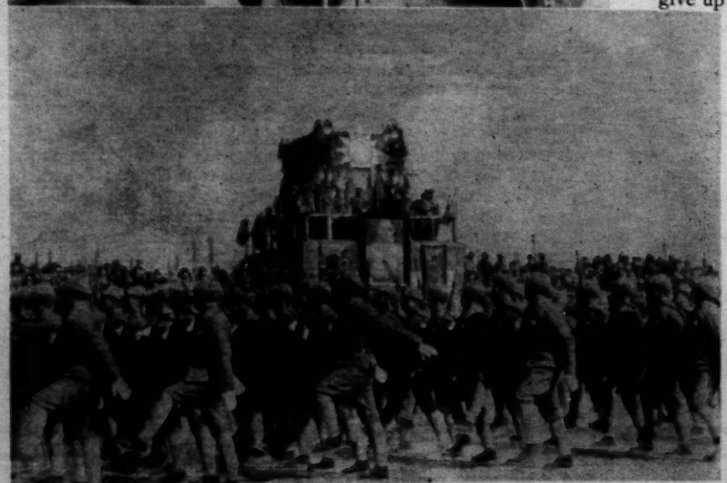
Great Britain is redoubling its efforts to check the growing tendency of Sino-Japanese economic co-operation, said *Hochi Shimbun* Mar. 22. On the other hand, the British Government is regarded as intending to commence negotiations with Japan upon arrival of the new British Ambassador Sir Robert L. Craigie in the coming summer concerning Sino-Japanese relations and disarmament problems. It is believed in Tokyo that Britain aspires to propose to Japan conclusion of an agreement on the basis of its present advantageous condition for division of economic areas of influence between Japan and Britain and at the same time solve the disarmament issues.

TOKYO PAPERS SAY JAPANESE ECONOMIC MISSION IS "FAILURE"

Tokyo newspapers on Mar. 27 united in characterizing the Japanese Economic Mission to China as "a failure." This view was expressed in the face of a statement issued Mar. 26 by Mr. Kodama, expressing complete satisfaction with the results of the visit to China. Leading officials and authorities on China, agree at a meeting convoked Mar. 26 under the auspices of the Tokyo Chamber of Commerce and Industry, that:

1. A policy of watchful waiting be pursued regarding the readjustment of Sino-Japanese relations.
2. Japan's policy towards China be unified among the various departments of the Government.
3. A "wait and see" policy be recommended in North China; and
4. An export compensation fund and other facilities be established for the convenience of traders and industrialists interested in China.

The *Nichi-Nichi* dispatch from Shanghai enumerates two reasons for the failure of the Japanese Economic Mission. First, China's anti-Japanese ideology is still sufficiently strong to sway all respects of Sino-Japanese relations and consequently the industrialists do not dare proceed with economic rapproachement lightly. Secondly, the Chinese industrialists are under government control and are unable to transgress even one stepset by the government.



Top photo shows General Fu Tso-yi, Chairman of Suiyuan, conversing with a staff officer during the memorial service held at Kweihua Mar. 15 in honor of the dead in the Suiyuan campaign against "Manchukuo" and Mongol Irregulars. Lower photo is a view showing the soliders participating in the memorial service passing the reviewing stand before President Wang Ching-wei of the Central Political Council and General Yen Hsi-shan, Pacification Commissioner for Shansi and Suiyuan.—*Photo by H. S. "Newsreel" Wong.*

KODAMA CONFIDENT THAT BASIS FOR CO-OPERATION ESTABLISHED

Returning to Japan Mar. 29 from a two-week visit to Nanking and to Shanghai at the head of a Japanese Economic Mission, Kenji Kodama is convinced that the trip was instrumental in establishing a basis for Sino-Japanese economic co-operation. Scoring the "various rumors that have been circulated in connection with the visit," the mission leader said he had come back fully convinced that Chinese business men were anxious to co-operate with the Japanese. "Upon my return to Tokyo," Mr. Kodama went on, "I will make only a brief report to the Foreign Office, for the conference had no political significance."

Similar written statements were issued Mar. 26 by both Chow Tso-min, the Chinese delegate, and K. Kodama of the Japanese Delegation. The main points of the statement are:

(1). It has been decided that closer connection be effected with regard to Sino-Japanese financial enterprises.

(2). It has been decided that joint efforts be made by the Japanese and Chinese regarding the promotion of cotton planting and an increase in its production.

China's present attitude is not one of "active anti-Nipponism," but one of "passive resistance to Japan." This point was stressed by Chinese business and banking leaders at private and free discussions with the Japanese Economic Mission to China, three returning members of the trade group revealed on their arrival at Nagasaki from Shanghai Mar. 24, according to *Domei*. "From the Chinese standpoint, the question of North China is a matter of life and death for their nation and this prompts them into adopting an attitude of resistance to Japan," they said. All paid high tribute to the Chinese people, who "fired with a spirit of reform and reconstruction are making extraordinary efforts, each man according to his individual task."

CHINA GIVEN FOUR MONTHS TO READJUST RELATIONS WITH JAPAN

China should be given a four months' period to readjust her relations with Japan through the method of economic co-operation. This was the proposal submitted to the commanders of the Japanese Garrisons in North China by General Kita, Military Attache of the Japanese Embassy, according to exclusive information obtained by *Shun Pao* Mar. 23 General Kita has recently visited Honan, Shansi, Peiping. According to the same proposal, Japan should give up the puppet regimes in Eastern Hopei and Northern Chahar, if the readjustment of Sino-Japanese relations proves effective. Japan, however, should not hesitate in resorting to force, in the event of failure of such measures.

PRINCE SHA ARRIVES IN PEIPING ON WAY TO NANKING

Prince Sha, Chairman of the Suiyuan Mongolian Political Council, arrived at Peiping from Kweihua Mar. 26 on way to Nanking to report to the central authorities on the affairs of the council. He said that he would stay at Peiping for a week, during which he would interview General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council. In Nanking, he expects to make a three-weeks ojourn before returning to Kweihua.

The Shansi Pacification Commission Headquarters is now negotiating with the Bank of China, the Central Bank of China and the Bank of Communications for a joint loan of $5,000,000 to strengthen the defense work in the Province of Shansi, reported *Sin Wan Pao*, Mar. 25.

Gen. Yen Hsi-shan, Pacification Commissioner for Shansi and Suiyuan, has decided to send a delegation to Japan to study industrial development in that country.

HSU SAYS SINO-JAPANESE RELATIONS ARE IMPROVING

"Sino-Japanese relations during the past year may be summarized into four stages, namely, period of complications, period of tension, period of changes, and finally period of improvement," declared Hsu Shih-ying in a press interview at Peiping Mar. 26. Mr.

Hsu's opinion, the Japanese authorities are now turning their attention to economic co-operation with China, and their attitude has also been considerably improved. Mr. Hsu proceeded March 26 to the Wufussu Temple at the Western Hills and paid his respects before the remains of the late Marshal Tuan Chi-jui. "After one year's absence I found that the situation in North China has been greatly improved, and North China is gradually returning to its former peace, quietude and stability." Thus declared Mr. Hsu at Tientsin Mar. 30 on his way back to Nanking.

The Japanese combined fleet, comprising about 60 war vessels, arrived at Tsingtao on Mar. 31 for a large scale maneuvers. A large group of Chinese and Japanese military officers in Peiping and Tientsin are coming to Tsingtao to watch the war games.

TUNGPEI ARMY ISSUES FAREWELL MESSAGE TO NORTHWESTERN PEOPLE

The following is the farewell message issued to the Northwestern people by the Tungpei Army:

"Dear countrymen: After about two years' stay in the Northwest, we have now been ordered to move to Anhwei. We are confident that you will all realize our real aim during our short stay in the Northwest. The Northeastern Army is only a unit of the National Army. Our leader, Chang Hsueh-liang is absolutely loyal to the Central Government. This can be proved by the fact that he gave up his own Army to the Government, after having entered the Great Wall. With his return from abroad, General Chang, realizing the crisis in China, has been ever strongly convinced that only by the united efforts of the nation can the aggression of our enemy be blocked. It is our opinion that General Chang will never change his mind, and that, we should render every support to him to facilitate the carrying out of his policy. Finally, we must point out that China will never be annexed by another nation, if she stops ruining herself by effecting an immediate cessation of internal conflict."

One division of cavalrymen commanded by Gen. Ho Chu-kuo and belonging to the Tungpei Army is to be transferred to Suiyuan province, according to *Shanghai Mainichi* Mar. 29. In view of the fact that this cavalry division is known for its strong anti-Japanese sentiments, the transfer is viewed as likely to exert a considerable influence on the future course of events in the North.

The Sian Provisional Headquarters of the President of the Military Affairs Commission, of which General Kuo Chu-tung is Director, was formally established on April 1.

SHAO LIH-TZU GIVES VIEWS ON COMMUNIST, JAPANESE PROBLEMS

Relations between the Kuomintang and the Communist Party, and problems relating to efforts for Sino-Japanese economic co-operation formed the subjects of an interview given to press representatives Mar. 25 by Shao Lih-tzu, director of the publicity department of the Kuomintang, reported *Shanghai Nippo*. The Communists, Mr. Shao revealed, have agreed to dissolve their so-called Soviet government and to reorganize the Red Army, but have so far given no indication of acceptance of the other two conditions for rapprochement with the Kuomintang as laid down by the recent Third Plenary Session of the C.E.C. These two remaining conditions call for cessation of Communist propaganda and abandonment of all class struggle activity. The Central Government is to prepared to reconsider these two conditions, Mr. Shao declared. Negotiations which are being conducted between the Kuomintang and the Communist Party, Mr. Shao said, cannot properly be referred to as a "re-marriage" between the parties, since both have undergone a transformation in recent years. The Kuomintang, formerly a revolutionary party, is now the party in power, while the Communist Party, once it severs its relationship with the Communist International and ceases to propagate the doctrines of the class war, will have ceased being a Communist Party. Precisely how far negotiations between the two parties have gone Mr. Shao said he was not in a position to state, but he believed the outlook was by no means dark. On the subject of economic cooperation between China and Japan, the Kuomintang spokesman declared himself in favor of "pure economic cooperation." A prerequisite for any such cooperation, however, was a settlement of all outstanding political questions between China and Japan. The most important of these questions was the preservation of China's sovereignty in East Hopei and in the provinces of Hopei and Chahar, and when this was settled it would still be necessary to raise the question of the recovery of Manchuria.

Chang Tsung, member of the C.E.C. arrived at Shanghai Mar. 25 from Sian where he is reported to have conducted negotiations with the Chinese Communists. Mr. Chang has reported his negotiations to Chiang Kai-shek in Hangchow.

Six persons were killed and twenty three others were seriously wounded as the result of a terrific explosion of an old munitions magazine in a temple compound outside Sian city Mar. 26.

FOUR SOUTHWESTERN PROVINCES FORM COALITION AGAINST NANKING, SAYS "NIPPO"

The Central Government continues to insist on a reduction in the number of troops under the control of the Szechwan Provincial Government, despite the presence in Nanking several Szechwan envoys to negotiate with the Government regarding the matter, said *Shanghai Nippo* Mar. 27. In order to maintain his position in the face of Nanking's pressure, Gen. Liu Hsiang, chairman of Szechwan, is reported to have entered into a secret alliance with the warlords of Kwangsi, Yunnan and Kweichow. This coalition will maintain a defensive united front against the Central Government. The worlords of Yunnan and Kweichow are aggrieved over the action of Nanking in suppressing the opium traffic in those two provinces, while the Kwangsi generals are up in arms against the Central Government over the recent arrest in Shanghai of Liu Lu-ying, who is being charged with instigating plots to assassinate Nanking leaders.

General Ho Ying-ching, Minister of War, and General Chang Chun, Secretary-General of the Central Political Committee and until recently Minister of Foreign Affairs, will visit Szechuan shortly —in addition to Wu Tieh-cheng, Minister of Industry, who was to leave for Chungking April 1. This announcement was made by Teng Han-hsiang, Chief Secretary of the Szechuan Provincial Government, upon his return to Chengtu Mar. 29 from the Capital by airplane.

The situation is quiet in Sinkiang; the friendly relations between the Chinese and Mohammedan populations are excellent; the financial position of Sinkiang has been stabilized; and the number of schools has been increased to 300, according to a telegraphic report from General Sheng Shih-tsai, Defence Commissioner for the Sinkiang Border. General Sheng extends a cordial welcome to all visitors to the border province.

CHINA PAYS TRIBUTE TO 72 REVOLUTIONARY MARTYRS OF 1911

The entire nation observed Mar. 29 the anniversary of the supreme sacrifice of the seventy-two martyrs at the Yellow Flower Hill in Canton in 1911, when they heroically staged an uprising which proved abortive at the moment but ultimately paved way for the successful Wuchang Revolution on Oct. 10 the same year. National flags were half-masted throughout the whole country and mass meetings were held in all cities in commemoration of the occasion. A general holiday was observed by all government offices and schools. The Central Kuomintang Headquarters and the National Government held a joint memorial meeting at the Party Headquarters at 9 o'clock in the morning, which was attended by upwards of 800 people.

The anniversary was commemorated in Canton at a sacrificial ceremony held at Yellow Flower Hill Mar. 29 with Lin Sen, Chairman of the National Government, officiating. More than 100,000 people attended the meeting to pay respects to the martyrs. Prominent among the government officials present were General Chen Cheng, Vice-Minister of War, General Yu Han-mou, Pacification Commissioner for Kwangtung, and General Hsiang Hanping, Deputy Commander-in-Chief of the 4th Route Army.

KWANGSI COMMANDERS ASSUME NANKING APPOINTMENTS

Generals Li Tsung-jen and Pai Chung-hsi were sworn into office as Commander-in-Chief and Vice-Commander-in-Chief of the 5th Route Army respectively at Kweilin April 1. General Cheng Chien, Chief of Staff, administered the oath of office.

LIU LU-YIN FOUND GUILTY OF INCITING MURDER OF YANG

Investigations of the assassination of Gen. Yang Yung-tai, late Chairman of Hupeh, have now been completed, and the indictment is now being drafted. As a result of the investigations, according to *Ta Kung Pao* Mar. 24, Liu Lu-yin, right-hand man of the late Hu Han-min, was found guilty of having incited the murder of Gen. Yang. Two documents, signed by Liu himself, were given as concrete evidence of his crime. Meantime, Kung Pai-cnow and other suspects arrested in connection with the "Yang Murder Case", with the exception of Wang Kwan-tsung, all admitted that they participated in the assassination.

Kang Pao reported Mar. 24 that Generals Li Tsung-jen and Pai Chung-hsi, Kwangsi Army Commanders, have sent a second petition to the Government, urging for the release of Liu Lu-yin. The Central Government, it is understood, will mitigate the punishment to be meted out to Liu.

YUI SAYS STATUS QUO TO BE MAINTAINED IN SHANGHAI

Status quo will be maintained during the period when he is in charge of the affairs of the City Government of Greater Shanghai, O. K. Yui, acting Shanghai Mayor, declared Mar. 26. Mr. Yui expressed the hope that the leaders of various circles will cooperate with him to handle the affairs of Greater Shanghai until a successor to Gen. Wu Te-chen is appointed.

The following four qualifications for the new Mayor of Greater Shanghai, to succeed General Wu Te-chen, are recommended by the Shanghai Special City Party Headquarters in a telegram to General Chiang Kai-shek, President of the Executive Yuan.

1. He must be a veteran Revolutionary, who has rendered meritorious service to the Party and the State.
2. He must be familiar with the local situation, and be able to get on harmoniously with both Chinese and foreigners.
3. He must be of impeachable character and of eminent political reputation.
4. He must possess the virtues of loyalty and sincerity, as well as the sense of responsibility.

Two names are now mentioned in connexion with the Mayoralty of Greater Shanghai. They are those of T. L. Soong, Finance Commissioner of Kwangtung, and Tseng Yang-fu, Mayor of Canton. Tseng Chun-min, former Minister of Railways and a close associate of Wang Ching-wei, is also slated for the post, reported *Lih Pao* Mar. 25. Wei Tao-ming, former mayor of Nanking, will succeed Gen. Wu Te-chen as mayor of Shanghai, reported *Shanghai Nichi-Nichi* Mar. 30.

Visit of Ambassador Further Cements Friendship Between South China and Britain

(BY THE REVIEW'S SOUTH CHINA CORRESPONDENT)

FURTHER cementing the existing friendly relations between South China and Great Britain His Excellency the British Ambassador, Sir Hughe M. Knatchubull-Hugessen, was the honored guest of the Kwangtung Provincial Government in Canton this week, having arrived in the southern port from Hankow on August 18. It is significant that Sir Hughe is the first British envoy in almost a decade to travel to South China and find stable political conditions in Kwangtung as a result of the newly achieved unification between the South and North. Although Sir Hughe has no intention of visiting Hainan, it is of paramount importance that during his presence of a week in Canton he must had ample opportunity to discuss the series of Sino-British economic co-operation issues with Canton's leading officials including Tsang Yang-fu, the Mayor. As the Mayor of Canton said at a banquet last Saturday night Sir Hughe came to the South at the most appropriate moment when there existed between the British and the Chinese here an understanding between them better than ever before and both sides appeared quite prepared to follow up their recently strengthened friendship with economic collaboration. As Canton is on the eve of embarking upon a gigantic reconstruction program necessiting the expenditure of over $200,000,000. Sir Hughe could have ample opportunity to make personal observations of the progress in the capital of Kwangtung.

Although the Mayor made no reference to the British participation in the Hainan development it has been pointed out by keen observers of the important events now taking place in the South that China is about to make Hainan Island a stragetic centre of first class importance. British investment is encouraged because when Hainan is converted into a Chinese naval and air base this Island in Southern Kwangtung can offer the most useful cooperation to the British in the defence of Hongkong. Sino-British defence cooperation in this connection can offer strong resistance should the Japanese militarists decide to extend their military expansion program from the Yangtsze to Southern China, With a railway built in Hainan a rail link will then be established between Southern Kwangtung with the militaristic Kwangsi province and possibly with Yunnan. Hainan then can be made use of as a base for the landing of arms and troops while the latter can then be conveniently moved to the interior of China.

Foreign Investment Encouraged

Dealing with the vast British commercial interest in this part of China, the Mayor of Canton said: "May I take this opportunity to express my hope that the present visit of His Excellency the British Ambassador and the personal acquaintance we have established with him will produce circumstances making our friendship more enduring and more useful. I need hardly say that from both the political and economic points of view, our relations in South China are most vital and it will be to the best interest of both our British friends and ourselves to establish a mutual understanding and mutual cooperation. Great Britain has large economic interests in the south and her trade position here will surely gain more importance as Canton is developed into a big commercial and shipping centre.

"We are carrying out our schemes for the development of Whampoa (just outside Canton) into a modern port with a deep sea harbor, for the construction of new railways and schemes for the economic development of the Hainan Islands. All these projects are for the transformation of this province and this metropolis into a big industrial and trading centre. Sir Hughe, with all this going on, we need assistance from your country and we sincerely welcome and earnestly seek your economic cooperation."

On this point of inviting foreign participation in the Hainan development and opening up of new industrial projects in Kwangtung it has been previously pointed out by the Chinese leaders that foreign investment will be given full protection as well as Chinese investment provided the foreign capitalists entertain no ambition to monopolise the enterprises concerned. Equality and fair play for all is the present principle on which spirit the industrial program of Kwangtung will be carried out.

Another factor which greatly favors this industrial plan in Kwangtung is the political stability achieved since last July. All the commanders now in Kwangtung and Kwangsi will give the Central Government the fullest support no matter what is going to happen in Hopei, Chahar, or Szechuen. Even the most extreme opponents of Nanking in Kwangsi have been favoring a new policy of collaboration with the Nanking Government because it is realized by them that the large standing army in Kwangsi will be in urgent need of a big Nanking subsidy to make things move. It is for this reason that the Kwangsi commanders, Generals Li Tsung-jen and Pai Chung-hsi, have expressed their willingness to change the Kwangsi army title to be called the Fifth Route Army, as Nanking has ordered, to hand over to the Nanking Government controlled banks in the South the entire stock of Kwangsi's silver coins and to adopt the national currency throughout Kwangsi.

Gen. Huang Mu-sung's Death Mourned

Against all these most encouraging developments in Kwangtung and Kwangsi the bright prospects in the South were slightly marred during the week-end by the passing of the popular Chairman of the Kwangtung Provincial Government, General Huang Musung. Though he had been Canton's Chairman for less than eight months, Gen. Huang had achieved a tremendous lot for the Cantonese, during his term in office, which is known to be one of the shortest in Kwangtung's history, though there was one Governor who occupied that same post for only a few days. Not only had General Huang introduced all the important parts of Gen. Chiang Kai-shek's New Life Movement in Canton within a few weeks after his arrival but he entirely suppressed all forms of gambling at a tremendous sacrifice to the revenue of the Kwangtung Government (about $20,000,000 a year). The late Governor was also known for his severe attitude against corruption and this was one of the points which he had stressed in many of his official addresses while in Canton. A man with the most libteral outlook, gained in part through his extensive travelling both within and outside this country, General Huang was a strong believer that for the welfare of Canton there should be a cordial relationship between Canton and Hongkong. To suppress Kwangtung's bandits was another of his ambitions and to achieve this end he reorganized Kwangtung's gendarmes, becoming its commander sometime before his demise. Unlike most other former governors of Canton General Huang did not participate in military affairs, leaving that to his colleague, General Yu Han-mou, the Pacification Commissioner, with whom he maintained the best of relations throughot the past eight months. But in view of the presence in Canton and Kwangtung of the many military and civilian officers most loyal to Nanking and the fact that there is a large Nanking standing army in the South, no matter who is going to be Canton's next Governor there is no doubt that the political stability in the South and Kwangtung's ambitious program of economic reconstruction will be carried out in order that Kwangtung will become the first model province of China as the National Generalissimo had wished last August.

British Maneuvers in Hongkong

At a moment when most Far Eastern countries are rearming because of the Japanese agression in Manchuria, Outer and Inner Mongolia and North China, it is of momentous interest that since March 15 the British troops in Hongkong—assisted by destroyers, cruisers, aeroplanes, artillery and infantry, both Regulars and Volunteers—have been carrying out combined maneuvers, unprecedented in in their large scale in the history of Hongkong. Since March 15 mobilization orders were issued for the Fixed and Anti-Aircraft defenders, the Seaforth Higherlanders, the Royal Ulster Rifles and Royal Welsh Fusiliers, supported by the batteries of the Hongkong Brigade and Royal Artillery. The troops were divided into two forces, with the defenders of Hongkong, the Red troops and the Colony's imaginary enemies, troops from the Blueland. Although the maneuvers were conducted on a large scale most of the naval and air bombardments and infantry attacks were done in the strategic points outside Hongkong's business centre, Victoria. But for the daily issues of communiques issued by the defenders describing the fighting and "casualties" the Hongkong people carried out their peaceful occupations unperturbed. But apart from these there were other signs of a "war," as indicated by the appearance of barbed wire on the beaches, military transport on the roads, the sound of airplanes overhead and the "lights out" order issued last Saturday. Punctually at 2 a.m. all street lights in Hongkong were extinguished on Saturday night, March 20. A blanket of darkness enshrouded the city and aided by the mist, drizzle and low-lying clouds, the darkness was such that objects only 100 yards away could not be discerned. The practice was made in order to see if Hongkong could be made safe from an air attack by the "enemy." For two hours thus Hongkong was in complete darkness. The vulnerability of Hongkong lies in the air and it would be a matter of great interest and value to the defences to know how much complete darkness would affect an emeny air attack. Such an air attack would lend considerable force and assistance to attacking land forces. Another reason is to make the community defence conscious. It is most imperative that Hongkong should be made thus safe from the air raids in view of the densely populated small area on this Island on which live a population of almost a million souls. The sham battle recalls talks some time ago in Hongkong that tunnels might be built in the New Territories as a precautionary step for the provision of shelters for the citizens when there is a bombardment from the air. Commenting on this subject the *S.M.C. Post* said: "So far the community has been told how to make its homes gas-proof; but there is as yet no sign of realization by Government that for very many the instruction given is useless, because of the type of dwelling in Hongkong, while very many more have neither heard nor read the lectures. Nor has any move yet been made to provide

gas proof or bomb proof shelters or in any way to regiment the masses for emergency."

"Fighting" Inside Hongkong

After a whole week's maneuvering the battle reached its climax on Mar. 20 when on that night the attackers penetrated their way into the heart of Hongkong and occupied some of the strategic points. The military communiques pointed out that the attackers were stronger numerically both on sea and in the air. Their efforts were directed to test the defences to the utmost, and the general result shows that the garrison were at least able to hold their own at most points. Shortly after night-fall on Mar. 20 the "enemies" launched a very successful attack on the defenders' base of operations. Two destroyers entered the Harbor undetected; they landed troops at Murray Pier and in a short time, despite the stout resistance put up by the defenders, the troops had occupied the Naval Dockyard. From there the invaders spread out and in a short time had captured the heart of the city and were attacking the military headquarters. Meanwhile a strong force of attackers landed in Kellet Bay, while the Pokfulum and Island Roads were taken and communications severed.

After a week of sham war on Mar. 21 many the British warships which had taken part in the maneuvers returned to port after nearly a week at sea, and by noon almost every available buoy in the Naval Anchorage was taken up with the destroyers, cruisers and submarines.

It is also reported that Australian warships and Australian troops may come to Hongkong to take part in combined operations next year. This is one of the possible outcomes of the Imperial Conference to be held in London on May 14. The attitude which Australia adopts at the Conference in regard to Empire Defence will have a vital bearing on defence strategy in the Far East. It is known that negotiations were afoot for vessels of the Royal Australian Navy to participate in this year's maneuvers off Singapore and Hongkong, but they were initiated too late for any action to be taken by the Australian Department of Defence.

Another report has it that the Hongkong garrison will soon include a full brigade of infantry, and that the Singapore garrison will be raised to the same strength. This was the prediction made by the Military Correspondent of the *Times*. A commencement will also be made this year on the work of constructing new barracks in Kowloon, the British administered mainland opposite Hongkong, at an estimated cost of £2,000,000. Effective expenditure during 1937 for the China Station, including the cost of garrison accommodation in Hongkong, is estimated at £1,726,900, and this sum has been allowed in the Army Estimates. New residences are being provided in Hongkong and Singapore for the General Officers Troops in China and Malaya, the old Flagstaff House now in use in Hongkong being replaced in present plans by a more modern building.

March 22, 1937.

British Ambassador Says World Must Treat China on Basis of Equality

Following a four-day visit in Canton, Sir Hughe Knatchbull-Hugessen, British Ambassador, proceeded to Hongkong Mar. 25. In a speech delivered to the Hongkong Foreign Chamber of Commerce Sir Hughe urged foreign merchants in Hongkong to make close contacts with Chinese commercial circles in order to strengthen trade relations. He declared that the world powers must treat China on a basis of equality and said that Britain was quite willing to cooperate with China to assist her in developing her trade. The British envoy expressed himself as being favorably impressed with the rapid reconstruction progress achieved in China during recent years.

British Ambassador Inspects Whampoa Harbor Development Work

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, visited Whampoa and investigated the harbor development work there Mar. 22. At noon he was entertained at luncheon by the British Returned Students Association.

Hainan Island Inspection Party Will Leave Hongkong April 15

The Hainan Island Inspection Party, jointly organized by the Shanghai, Hongkong and Canton Chambers of Commerce, will meet at Hongkong on April 15, and will then proceed to Hochow.

U.S. $2,000,000 Bond Issue for Whampoa Development Approved by Legislators

The U.S. $2,000,000 bond issue for the development of the Whampoa Harbor and the dredging of the Pearl River in Kwangtung was approved by the Leislative Yuan in Nanking at its weekly meeting Mar. 26. A surcharge of 5 percent to be imposed by the Customs for imports into Kwangtung will be levied as security for the loan.

Hankow British Chamber Head Criticizes Barter Agreement

Speaking at the annual meeting of the Hankow British Chamber of Commerce Mar. 22, W. Bowling, the Chairman, discussed general trade conditions in Central China, the political situation insofar as it concerned trade, the question of monopolies, taxation and conservancy work.

Taking up China's barter agreement with Germany, Mr. Bowling said he wondered why China should have allowed herself to become enmeshed in the toils of a barter agreement, as at best barter was but a poor and inefficient substitute for complete freedom of trade. He expressed the belief that China would suffer in the end. Her currency is sound and will remain sound subject to certain conditions, among them her ability to export sufficient goods to pay for her imports. So long as she is able to do that, she will acquire sufficient foreign exchange to enable her to make purchases either for cash or on credit in the market of her choice. Why, under such circumstances, she should force herself to pay with goods is not clear, especially when she can have no difficulty in disposing of those goods on the markets of the world, the speaker asked.

British Commercial Counsellor Sees China as a Huge Workshop

Sir Louis Beale, Commercial Counsellor in China, was the guest of honor at the annual Oxford and Cambridge dinner at the Shanghai Race Club Mar. 24. He was introduced by Dr. Wu Lien-teh, the President of the Society. In the course of his speech he said that he sees China to-day as a gigantic workshop wherein the components of modern scientific and mechanical life are being welded to the millions of patient, skilful human beings, who make up the vast economy of China. The result of this fusion left no doubt whatever. The pace might require to be modified and the design adapted, but the outcome will be a great nation leading in art and industry.

W. M. Kirkpatrick Inspects Chientang Bridge

W. M. Kirkpatrick, representative of the Export Credits Department of the British Government, while on a visit to Hangchow last week (following his recent trip to South China), inspected the engineering work of the Chientang Bridge. He was the guest of honor at a luncheon given by General Chiang Kai-shek.

Hankow Merchants Oppose Exemption of Import Duty on Foreign Rice

Strong opposition against the decision of the Kwangtung Provincial Government to exempt import duty on foreign rice was voiced by the Hankow Sundry Foodstuff Union. In a circular telegram, the union pointed out that if foreign rice transported to Kwangtung should be exempted from customs duty, it would cause a drastic price drop in the domestic rice market. In the event that native rice is unable to compete with foreign rice, the rice market in South China would be completely dominated by foreign rice.

Permission has been given by the Central authorities for the importation of 4,000,000 piculs of foreign rice, duty free, as a special measure to meet the shortage of rice in Kwangtung province.

A *Kuo Min* message from Nanking Mar. 29 stated that General Chiang Kai-shek, yielding to the protests of rice merchants in various parts of the country, had instructed the Ministry of Finance to drop the plan of exempting foreign rice from the Customs Import Duty in Kwangtung.

Arrangements have been made by the Preparatory Office of the South China Rice Trading Corporation, Ltd., with the Anhwei Provincial Government for the establishment of a Rice Mill in Wuhu.

As the result of the rice shortage in Kweichow, a well-known merchant of Kweiyang has been entrusted by the official Relief Commission with the task of purchasing in Hunan several tens of thousands of piculs of rice for storage.

Reported Activities of Japanese Excavationists Infringe China's Territorial Integrity

For some time reports have been reaching Peiping from Japanese sources that the Far Eastern Archeological Society in Tokyo, which had made extensive researches on ancient Mongolian and Manchurian civilizations, are making plans to continue their work on a large scale making excavations in Inner Mongolia. In so far as the excavations reportedly to be carried out will be in Chinese territory, Chinese official and academic circles point out that any such excavation would be an infringement upon Chinese territorial integrity and could not be tolerated.

Chinese Honor Yueh Fei, Great National Hero, on Birthday Anniversary

On the birthday anniversary of Yueh Fei, a great general of the Sung dynasty, which fell on Mar. 27, elaborate sacrificial ceremonies were held in Tangying, Honan, his native place. General Liu Shih, Pacification Commissioner for Honan and Anhwei, personally officiated at the ceremonies.

Hailed as one of the greatest, if not the greatest, national heroes, the memory of Yueh Fei is celebrated because of the fact that just as he was going to lead his troops across the Yellow River to pursue the Tartar invaders and recover all lost territories, Chin Kuei, the Prime Minister, who advocated peace with the Tartars, recalled him. Falsely charging him for disloyalty he had him arrested and executed in Hangchow in the 11th year (A.D. 1141) of the reign of Emperor Kao Tsung at the age of thirty-nine.

Japanese Heroin Smuggler at Hongkong Sentenced to 10 Years Imprisonment

AT a moment when the Japanese military commanders in Tientsin are presenting new demands to General Sung Cheh-yuan because the Hopei-Chahar Political Council has failed to give adequate protection to the Japanese "special traders" it is interesting to note that some of these same "special traders" have wandered from their sphere of influence in the North to Hongkong and as far as Singapore. Some time this week (writes *The Review's* South China correspondent under date of March 18) two of these "special traders" (as the Korean smugglers are called) were killed in a motor accident near Tientsin when they were fired on by Chinese Peace Preservation Corps. The incident has furnished enough ground for the Japanese to ask for a ban on the use of arms against the "special traders" by the Chinese Police and troops in future, but when one of these "special traders" became too ambitious and tried to smuggle heroin into the British-administered Hongkong territory he found that the British officials are not so lenient in the treatment of these so-called "special traders."

This case came to a conclusion only this morning in the Hongkong Supreme Court when a Japanese was convicted of smuggling 724 ounces of heroin into Hongkong. The drugs in his possession were sufficient to make 18,000,000 pills, or 20 pills to each member of the Chinese population of the Colony.

A significant point is that the sentence of ten years' imprisonment with hard labor imposed by the Chief Justice, Sir Atholl MacGregor this morning, is the heaviest sentence so far passed by the British court in Hongkong for drug traffickers. Coming from Tientsin, the present centre of Japanese and Korean smugglers, the prisoner now serving his term of imprisonment is a Japanese teacher, 40-years-old; he was travelling alone, arriving in Hongkong on the steamer *Hupeh*. While Revenue Officers were searching the boat for drugs and arms they were attracted by the presence of the Japanese with his lugguage. Revenue Officer E. T. Warden opened the prisoner's basket and there found many glass-topped boxes containing dried fruits and nuts. As the officer was about to open one of these boxes, the Japanese, giving his name as Kepaklo Itabashi, said that this should not be done as the boxes belonged to a friend. Mr. Warden in the course of examining the box discovered that it had a false bottom and that it contained a packet of whitish powder.

Offer $3,000 to Each Officer

The officer then told the Japanese that he was under arrest and they took him to the Imports and Exports Department which was near the wharf. While another Revenue officer, a Mr. Ward was about to telephone to the head office, Mr. Ward had the telephone snatched from his hand by the Japanese, who said "Don't ring up to the big office. I will give you and the Chinese gentleman $3,000 each if you will let me go." Mr. Ward paid no attention to this remark and retrieving the telephone communicated with the Chief Preventive Officer, W. J. Buller. Taken to the Police Station the Japanese was then formally charged.

When the Police had time to closely examine the luggage of the Japanese they found that his trunk contained in a false top and bottom, seven packages in which were 310 ounces of heroin. In the suitcase were nine tins of fish and four tins of vegetables. Three of the fish tins contained fish and six heroin and all four vegetable tins contained heroin. There were 64 ounces in the fish tins and 76 ounces of drugs in the vegetable tins. The basket contained 12 boxes of nuts and fruits and 14 tins of fish and in 10 of the boxes was a quantity of a powder, which was poisonous and sometimes used in the manufacture of heroin pills. Twelve of the fish tins in this lot contained heroin and two contained genuine fish. There were 89 ounces of heroin altogether concealed inside the basket. In the kit bag were two pillows which contained 85 ounces of heroin and two blankets contained 100 ounces sewn into the lining. The grand total was 724 ounces of drugs.

After his arrest the defendant also told the Police that he was carrying the luggage for two women, but the Police have failed so far to locate the women on the s.s. *Hupeh*.

In the Supreme Court, H. A. Taylor, Government Monopoly Analyst, gave expert evidence and said that the heroin found in possession of the Japanese could produce 18,000,000 pills.

The Japanese called two witnesses from Tientsin to prove that he was asked by a man named Wong Sheung-sang to carry the luggage to Hongkong and that he had no knowledge that the luggage contained heroin. Wong Sheung-sang, incidentally, is the other drug-trafficker who was sentenced at the last Criminal Sessions in the Hongkong Supreme Court to seven years' hard labor for a similar offence.

That the Japanese smuggling case is one of the most serious offences of its kind in Hongkong is shown by the remark made by the Court when passing sentence, when the Chief Justice said that the Japanese had taken part in "an extremely calculated and deliberate attempt to introduce dangerous drugs into Hongkong in a very large quantity," adding that the drug he carried was sufficient to poison the whole population of Hongkong, including the prisoner himself.

The Hongkong case recalls a somewhat similar Japanese attempt to trade in opium in Singapore, when sentence of 15 months' rigorous imprisonment was passed by H. A. Forrer in the Criminal District Court at Singapore on a Japanese, named S. Ito. The latter was charged with of having in his possession 55 taels of non-Government chandu valued at $520.

Shensi Instructed to Tighten Opium Suppression Campaign

The Shensi provincial goveanment has received instructions from Gen. Chiang Kai-shek ordering that the anti-opium and anti-drug campaign be tightened in the province. The Shensi authorities were also instructed to have the evils completely eradicated before 1940 as provided in the six-year anti-opium program of the Central Opium Suppression Commission.

9,000 Ounces of Opium Found in Pro-Japanese Bank in Honan

Approximately 9,000 ounces of opium were found in the Chengchow branch of the Kincheng Banking Corporation Mar. 24. The discovery was reported to Gen. Chiang Kai-shek at Fenghua. The proprietor of the Bank, Chow Tso-min, was a participant in the negotiations with the Japanese Economic Delegation in Shanghai.

Japanese Court Imposes Comparatively Light Sentences on Heroin Peddlers

Sentences ranging from three months at hard labor to 30 days, with fines ranging between $100 and $80, were demanded against four Koreans charged with drug peddling in the Japanese Consular Court in Shanghai Mar. 30. These punishments were described by the Shanghai *Mainichi* as "exceptionally severe." These cases come under the category of violation of Foreign Office regulations, under which drug peddling in China is forbidden. The *Mainichi* added that there had been a recrusdescence in the number of arrests of Koreans; an average of two Koreans are arrested daily, with their number reaching 10 on some days.

It may be noted in this connection that although this Japanese newspaper referred to the sentences by the Japanese authorities as "exceptionally severe" they are as a matter of fact very mild as compared with sentences in Chinese courts where sentences up to life imprisonment as well as death sentences are not infrequently imposed in similar cases.

Riots Occur in Connection with Cotton and Silk Mill Strikes in Shanghai

Eight hundred workers of the Mayar Silk Weaving Factory in Shanghai went on strike Mar. 29, demanding an increase in wages.

The No. 2 Hsinyu Cotton Mill in Western Shanghai was the scene of a riot Mar. 25 when about 1,900 workers penetrated into the factory building and stormed the building. The trouble started the previous night, when 56 workers had been dismissed. Indignant over the action of the factory authorities, the workers broke through the gate and made a rush toward the office, whereupon the staff members opened fire on the workers. The staff members used boiling water to disperse the mob, resulting in 13 workers and four staff members being injured. One worker was arrested by the Settlement police.

A riot broke out among the workers of the No. 10 Mei Ya Cotton Mill in Shanghai Mar. 26. In a clash with the police, more than 20 workers were wounded and 21 of them were subsequently arrested.

A "go-slow" strike of antimony workers and traders in Hunan which had been going on for several months was settled this week through the good offices of Gen. Ho Chien, Chairman of the Hunan Provincial Government. The strike was staged as a protest against the alleged unreasonable cut in antimony price by the National Antimony Industry Administration. The compromise provides for an increased price.

10,000 Chinese Rubber Workers Go on Strike in Federated Malay States

Ten thousand Chinese laborers on rubber estates in the Selangor and Negri Sembilan districts (Federated Malay States) went on strike last week. European members of the Federated Malay States Volunteer Corps were ordered to stand by in case events should develop on dangerous lines. The situation in Kuala Lumpur was tense for some time as the strikers made plans for a mass march on the capital, but this project eventually fizzled out. There appears to be little hope of an immediate settlement of the strike, which is regarded seriously by employers and the authorities.

Two companies of the Punjabi Regiment were ordered out as the result of a clash between the police and striking Chinese mining coolies Mar. 26 when one coolie was killed and the police made 33 arrests. The strikers went back to work Mar. 30 as the result of a ten percent increase in wages.

China Wants Equal Partnership, Not Economic Vassalage

BY C. Y. HSIEH (謝志耘)

BY the time these lines appear in print the Japanese Economic Mission to China headed by K. Kodama will have concluded its labors and departed from Chinese shores. While here the Mission was accorded a most enthusiastic and cordial welcome by both official and unofficial circles. Amidst the busy rounds of calls, return calls, receptions and parties little could be known of the real aims of the Mission, but the indications as reflected in an upswing in business and market reactions are that on the outcome of the tour the public on both sides of the Yellow Sea have banked their high hopes for a material improvement in Sino-Japanese relations. The question is whether these hopes stand a chance of fulfillment, or, as has so often been the case, are doomed to disappointment.

To answer this question one could not but follow Tokyo's intentions closely. It is almost superfluous to emphasize at the outset, that to the Japanese, words do not have any meaning save that which they have seen fit to give them and the much-worked phrase "economic cooperation" may therefore have quite a different connotation from its usual and reasonable one. So far as can be ascertained, Tokyo's intentions are neither strictly "economic" nor by any means for "cooperation." It is evident from the views it held concerning the scope, the method of approach and the substance of the widely publicized economic cooperation that it has in mind something else.

In regard to the scope, it is noticeable that the Mission came with instructions to look for possibilities in central and south China only. To its members not merely is Manchuria a closed issue, but North China should receive no mention in Sino-Japanese talks. Reference by a Chinese member of the Sino-Japanese Trade Council to the conditions in North China met with a curt reply from Mr. Kodama that intrusion of political considerations into economic discussions was highly regrettable. The stand of Mr. Kodama may be technically understandable. But then how much, it may be asked, of the existent lack of economic cooperation between the two countries is not due to the state of things prevailing in that region? If the Mission intends to be in the least true to its professed aim of furthering Sino-Japanese collaboration, there does not appear to be a way by which it could avoid tackling the North China problem. On the part of Chinese leaders their acceptance of Manchuria as a "suspense account" has been dictated by force majeure, but this acceptance can on no account be suffered to extend to North China where China still exercises her sovereign rights. It may thus be seen that the attitude of the Mission, which no doubt represents that of official Tokyo, falls far short of China's legitimate requirements.

To put this attitude in Tokyo's general scheme of things, it means that an annex is being sought to the much-heralded Japan-"Manchukuo"-North China economic bloc which figured so sinisterly in Hirota's three principles. It hints that Japanese business and industry, not content with a monopolistic hold on Manchuria and a dog-in-the-manager position in North China, are out to conquer and seize new fields south of the Yellow River. In this connection the frequent boiling in the Japanese press over Sino-British joint enterprises in south China is certainly not calculated to ease the minds of Chinese leaders who wonder if the Japanese Mission is at all sincere about economic collaboration, and not merely starting a new diplomatic poker game in the Yangtze Valley.

Scope Limited to Tokyo's Own Purposes

If the scope of economic cooperation is hopelessly limited by Tokyo to suit its own purpose, the method of approach to the problem is even less agreeable. That this is so in recent past is undisputed; whether there will be a change for the better in the near future remains highly doubtful. It may be recalled that during the two years following China's adoption of currency reforms, she has received the least assistance from one from whom she has reason to expect the most. As is well known, Tokyo was the first to express doubts as to their workability, and the last to admit their success. Far from being cooperative, its attitude was cynically obstructive. Of this no proofs can be more conclusive than the refusal of Japanese banks in China to hand over their silver holdings to the Chinese government banks in accordance with Nanking's new monetary policy and the abetting by the Japanese military of large-scale smuggling in the north with a view to wrecking the financial structure of the National Government. Even now when China's currency position has been demonstrated to be stable and sound and when her Customs administration has done its best to protect her revenues, Japanese agents have not yet relented and stopped their unscrupulous activities. In the smuggling issue in particular, Tokyo has toyed with the idea of turning this racket into a political weapon with which to batter down the wall of Chinese tariffs. In this connection it is significant to note that denials notwithstanding, the Japanese Economic Mission was credited by some Japanese newspapers with an intention to open negotiations with Nanking for a reduction of the existing tariff rates. If they succeeded in carrying out this alleged aim—which we doubt—the effect of their action would be to have lawlessness beget law, which is a precedent dangerous to the extreme. Can a system built on such tactics be called economic cooperation? And can the National Government yield to unwarranted pressure without seriously jeopardizing its own position in the eyes of the country?

With views regarding the scope and method of approach at odds, the Japanese and the Chinese would find a further source of disagreement in the substance of economic cooperation. Japan through her trade representatives was likely to insist that China supply her with raw materials and absorb her manufactures to as large an extent as possible and without regard to the needs of the country. Compliance with the demand would put native industries, particularly the textile, match and sugar industries, into the gravest jeopardy. In the textile industry, it may be pointed out, the Japanese have during the past two years greatly strengthened their control, which they have given no sign of relaxing to save the Chinese textile interests from ruin. So unless they can see their way clear to giving a freer development to China's native industries, the future of the latter is doomed and Sino-Japanese economic cooperation will be sheer mockery.

On China's part a few guiding principles should not be abandoned. First of all is a uniform application of the "Open Door" doctrine to all parts of the country. Nanking should make it clear-if it has not yet done so to the Japanese Mission—that so long as foreign interests are willing to make investments in accordance with Chinese laws and regulations, the whole country will be thrown open for joint development, but any attempt by a foreign Power to mark off a certain part or region of the Chinese territory for exclusive, monopolistic exploitation will be resented and resisted. On this ground the anomalous situation in North China where Japan has enforced a sort of economic enclosure should be rectified before any cooperative project may be launched. Bristling as the problem is with difficulties, it is nevertheless the first test of Tokyo's sincerity—a test which should not be evaded on the plea of political considerations. For its outcome will determine whether the Chinese can trust Japanese goodwill and fairplay and dispel their fear of illegal means of competition and even of downright seizure and confiscation, as has so often occurred in the north.

Chinese Should Insist on Control

The second principle to which Nanking should adhere is that of dominant Chinese control in any Sino-Japanese enterprise. An identical principle obtains in any other independent country, and so in insisting on it China is merely following the example set by most nations. This principle has mainly to do with such an apportionment of capital and personnel as to insure dominant control by the territorial government and native interests. In the past—and unfortunately even at present—China has had bitter experiences with Sino-foreign, more especially Sino-Japanese, enterprises the control over which often began on a nominally equal basis but as often ended up in alien hands. Although the inaptitude and inexperience of the Chinese to some extent account for their loss of influence, cases are not lacking where the metamorphosis is effected by political pressure. It is therefore imperative that any Sino-Japanese joint project should not only be inaugurated in full compliance with Chinese laws and regulations, but it must always remain so.

The provision for dominant Chinese control, however, should not be taken to prejudice mutuality of benefits. To lose sight of the latter principle would be to defeat the primary objective of any Sino-foreign enterprise. Under the existing Chinese legislation and given normal development it is difficult to see how this can come about. As a matter of fact, foreign interests—particularly those which have invested in Chinese railways and communications projects—have had little reason to regret their actions. In the case of Sino-Japanese "cooperation" the danger has been quite the other way round. Many instances may be cited in which the Japanese reaped all the fruits of joint efforts, the while complascently thinking that China can well afford to be without them. If there is a word for this kind of relations, it is exploitation pure and simple. That it cannot be suffered to continue goes without saying.

Now that the Japanese Economic Mission has left and the exchanges of courtesies and opinions are over, each side should be thoroughly cognizant of the needs and views of the other. Of an early adjustment between these needs and views we frankly do not have too sanguine hopes. The fact is that although we have been fairly well impressed by recent protestations in Japan of the necessity of reorientating her China policy, we have yet to be convinced of a real change of heart demonstrated in unmistakable acts of goodwill and accommodation. For to react otherwise would be to court disillusionment.

Shanghai, Mar. 22, 1937.

Movements and Appointments in Diplomatic and Official Circles

Upon the advice of his physician, Gen. Chiang Kai-shek, accompanied by Madame Chiang, is spending a short vacation at Hangchow.

Wen Cheng-lieh, adviser to General Han Fu-chu, Chairman of the Shantung Provincial Government, conferred with General Sung Che-yuan, Chairman of the Hopei-Charhar Political Affairs Committee, at Peiping last week.

T. L. Soong, former Commissioner of Finance for Kwangtung tung province, will be appointed Vice-Minister of Railways, recent advices from Nanking indicated.

Yin Jen-hsien, Provincial Commissioner of Finance, has been appointed concurrently manager of the Hunan Provincial Bank in succession to Chung Ling who will become a member of the Supervisory Committee of the Bank.

Kung Hsueh-sui, Provincial Commissioner of Reconstruction for Kiangsi, proceeded to Canton last week to attend the Four-Province (Hupeh, Hunan, Kiangsi and Kwangtung) Special Products Exhibition and to participate, on behalf of the Kiangsi Provincial Party Headquarters, in the memorial service in honor of the 72 Revolutionary Martyrs.

In recognition of their meritorious service in the past three years, during which they efficiently maintained peace and order in Kiangsu and rid the province of banditry, decorations were awarded at Chinkiang Mar. 23 to 43 officials by Chen Kuo-fu, Chairman of the Kiangsu Provincial Government and concurrently Commander of the Kiangsu Provincial Peace Preservation Force.

Wu Ting-chang, Minister of Industry proceeded to Chengtu this week to attend the opening of the Szechwan branch of the National Economic Reconstruction Movement Association.

Tien Ho-ching, China's delegate to the First International Industrial Safety Conference which will be held at Amsterdam (Holland) on April 26, will sail for Vladivostock enroute to Europe on April 2 aboard the s.s. *North*.

Chang Yung-fu, representative of Gen. Shen Shih-tsai, Commissioner of Defence for the Sinkiang Border, arrived in Nanking this week and interviewed officials of the Central Government on behalf of the Sinkiang military authorities.

Shao Li-tze, Director of the Central Publicity Department of the Kuomintang, give a talk over radio station XGOA at Nanking Mar. 30.

During the absence of Wu Nan-ju, Chinese Minister to Denmark, Kung An-ching, first secretary of the Chinese Legation in Copenhagen, will be in charge of the affairs of the legation.

By order of the Ministry of Railways, Chen Ching-wen, Director of the Business Department of the Ministry, has been appointed concurrently Assistant Managing-Director of the Canton-Hankow Railway and Director of the Transportation Department of the Railway.

Chu Cheng, President of the Judicial Yuan, proceeded to Peiping this week accompanied by Chang Chih-pen, reserve member of the Central Executive Committee. Mr. Chu is readjusting the affairs of the Chaoyang Law College, of which he is President, and is also inspecting the judicial administration in Peiping.

With the completion of the engineering work of the Yao dyke in Chungsiang, Hsi Te-chiung, Director of the Kiang-Han Engineering Bureau, has tendered his resignation to the National Economic Council.

Dr. C. T. Wang, Chinese Ambassador-designate to Washington, will leave for America on April 15 to assume his new post, it was reported Mar. 25.

Yen. Feng Ching-tsai, commander-in-chief of the Twenty-Seventh Route Army, and Gen. Tseng Wan-chung, army commander, arrived in Nanking Mar. 29.

Lin Yun-kai, Minister of Audit, is making a two-months inspection tour of the provinces of Kiangsu, Chekiang, Fukien and Kwangtung. From Canton, he will proceed northwards by the Canton-Hankow Railway to Hunan, Hupeh, Anhwei, Kiangsi and the North-west.

Admiral H. E. Yarnell, new commander-in-chief of the American Asiatic, Fleet is due to arrive in Canton on April 10 on an official visit aboard the *Isabel*.

Wu Te-chen Honored at Dinner by Members of Consular Corps

Gen. Wu Te-chen, retiring Mayor of Greater Shanghai and newly appointed Chairman of the Kwangtung provincial government, was honored at a farewell dinner party given by members of the foreign consular corps and their wives at the American Club Mar. 30.

In presenting a beautiful silver tray to Gen. Wu on behalf of the consular corps, N. Aall, Norwegian Charge d'Affairs and doyen of the corps, paid a high tribute to Mayor Wu for his brilliant record in the administration of Greater Shanghai. General Wu in the course of his reply stated that the three Shanghai areas would have to cooperate with each other in an increasing degree.

Consul General Kawai to Hold Concurrent Post of Counsellor

Tatsuo Kawai, Japanese Consul-General in Shanghai, Mar. 27 was appointed to the concurrent post of counsellor of the Japanese Embassy to China.

Colonel Wachi, Staff Officer of the Japanese Garrisons in North China, arrived in Tsinan Mar. 26 in company with a group of Japanese officers. Colonel Wachi and party later made an investigation tour along the Kiaochow-Tsinan Railway.

The Ministry of Foreign Affairs was in receipt of a special report from the Chinese Embassy in Tokyo, last week to the effect that Mr. Kawagoe, Japanese Ambassador to China, will not return to Japan for the time being.

Vice-Admiral Kiyoshi Hasegawa, Commander-in-Chief of the Japanese Third Fleet, while on a visit to Nanking last week visited the Sun Yat-sen Mausoleum. The Japanese Admiral was the guest of honor at a luncheon given by Dr. Wang Chung-hui, Minister of Foreign Affairs, and at a dinner by Admiral Chen Shao-kuan, Minister of the Navy.

Major Yeshio Ohki, newly appointed staff officer of the Japanese North China Garrison, arrived in Tientsin Mar. 21.

Major-Gen. Gun Hashimoto, Chief of Staff to the Japanese Garrison Headquatrers in Tientsin, proceeded to Mukden this week enroute to Japan to attend a military conference there. The Japanese officer is expected to return to Tientsin in the middle of April.

M. Kato, First Secretary of the Japanese Embassy in China, departed from Tientsin for Changchun Mar. 26, after a short stay in said city, during which he exchanged opinions with the North China Japanese leaders concerning the question of Sino-Japanese econmic co-operation.

Italian Economist Arrives to Take Up Advisory Position in Nanking

Signor Alberto de Stefani, well-known Italian economist, arrived in Shanghai Mar. 29 from Italy aboard the s.s. *Victoria* to assume his new post as Administrative Adviser to the Chinese Government. He was accompanied by his wife, three children and secretary, Signor Gino Magrini. A large number of Italian and Chinese officials, as well as representatives of the local Italian Fascist Party, accorded the distinguished visitor a warm welcome when the vessel arrived. Among the Chinese who met Signor Steffini were Gen. Chiang Po-li, representing the Generalissimo, Acting-Mayor O. K. Yui, and others.

This is the Italian economist's first visit to China and he is expected to remain in this country for four months. His office will be established in Nanking, where he will spend most of his time. He made a brief visit to Hangchow and Kashing before proceeding to Nanking.

Italian Sailors Wreck Newspaper Plant in Morocco—Three Wounded in Counter Attack

An incident reminiscent of the attack by Italians in the Isis Theatre in Shanghai more than a month ago took place in Tangier (Morocco) Mar. 25 when Italian sailors, incensed by an anti-Italian caricature that had appeared in the Spanish newspaper *Democracia* went ashore and proceeded to take the law into their own hands. The sailors—50 in number—were stated to have belonged to the Italian torpedoboat *Roca* which was lying in the harbor of Tangier. On going ashore they made straight for the office of the offending newspaper and started doing some wrecking whereupon one of the managers of the newspaper fetched a shotgun and fired at the sailors wounding three of them. Upon taking their departure, the sailors began to sing the "Giovinezza". More trouble arose as they were passing the Spanish post office. According to some accounts, a post office official either passed some insulting remark or made an offensive gesture. In any case the sailors rushed the post office.

Waichiaopu Dissatisfied with Italian Reply Concerning Raid on Isis Theatre—Another Protest Filed

The Ministry of Foreign Affairs cabled to General Liu Wen-tao, Chinese Ambassador to Italy, Mar. 24, ordering the latter to file another strong protest with the Italian Government in connection with the attack on the Isis Theatre by Italian marines sometime ago. The Ministry of Foreign Affairs, it is understood, is not satisfied with the reply made by the Italian Government, which was transmitted to the Waichiaopu through General Liu.

The raid on the Isis Theater by Italians, many wearing the uniforms of the Italian Navy, was the subject of two vigorous protests by the Nanking Foreign Office previously. The first protest made shortly after the raid, demanded, among other things, payment for the damage and punishment of the culprits. The Italians allegedly replied to this verbally by claiming that the Soviet-made film showing Italian conquest of Ethiopia had offended Italian feelings. In consequence the Italians declined the Chinese demands.

General Chiang Delivers Christian Message on Good Friday

General Chiang Kai-shek issued what is believed to be his first religious message Mar. 26 (Good Friday.) The message was addressed to the Eastern Asia Conference of the Methodist Episcopal Church in session at Nanking and was read by Col. J. L. Huang.

Choosing "My Spiritual Conception of Good Friday" as his subject, General Chiang, who was baptized in Shanghai in 1930, about three years after he married his Christian wife, the former Miss Soong May-ling, said in his message:

"Without religious faith, there can be no real understanding of life. Faith in the cause of revolution is not unlike religious faith. Without faith human affairs, both great and small, are difficult of achievement. "Often when face to face with opposition and possible danger, we mortals are prone to retreat and to abandon our work halfway. Such lack of confidence in ourselves is often due to the absence of strong religious faith.

"I have now been a Christian for nearly 10 years, and during the time I have been a constant reader of the Bible. Never before has this Sacred Book been so interesting to me as during my two weeks captivity in Sian. This unfortunate affair took place all of a sudden, and I found myself placed under detention without having a single earthly belonging.

"From my captors I asked for but one thing, a copy of the Bible, and in my solitude I had ample opportunity for reading and meditation. The greatness and love of Christ burst upon me with a new inspiration, increasing my strength to struggle against evil, to overcome temptation, and to uphold righteousness.

I am indeed grateful to all my fellow Christians who continually offered prayers on my behalf, and I am deeply conscious of the strong spiritual support for which I extend my hearty thanks to all Christians and to which before you all today I testify that the name of God may be glorified.

"Many virtues of Christ I cannot possibly enumerate. Today being Good Friday, I merely wish to explain some of the lessons I have derived from the trials of Christ. His utterances from the Cross are our spiritual inheritance. Entreating forgiveness for his enemies, He cried: 'Father forgive them for they know not what they do.' Truly great is the love of Christ. In all my meditation I found these thoughts recurring and providing me with rich spiritual sustenance.

"To illustrate I am going to recount some of my experiences at Sian. Before I went to Shensi on my second trip I already was conscious of the perverted thoughts and unusual activities in the army there. I had previously received reports of the intrigues and revolutionary ramblings that were threatening to undermine the unity of the state.

"My immediate associates tried to persuade me to abandon the journey, but I replied: now that our country is unified and the foundation of the state established, the Commander-in-Chief of the armies has the responsibilities for the direction and enlightenment from which he dare not withdraw. Furthermore, I have dedicated my soul and body to the service of the state, and there can never be any consideration of my personal safety.'

"According to the record of the New Testament when Christ entered Jerusalem for the last time He plainly knew the danger ahead but triumphantly, on an ass, He rode into the city without anguish, without fears. What greatness. What courage. In comparison, how unimportant my life must be. So why should I hesitate?

"My fondness for my troops always has been as great a love between brothers, and this love drew me into the heart of the rebellion. Such disregard of danger in face of duty caused the deep concern to the government, worried the people and for this numerous prayers have been offered by Christian friends. In the midst of it all my understanding increased and my love multiplied.

"Following my detention my captors presented me with terms and demands, with tempting words of kindness, with threats of violence and torture, and with public trial by the "People's Front." On every hand I was beset by danger, but I had no thought of yielding to the pressure. My faith in Christ increased. In this strange predicament, I distinctly recalled the forty days and nights Christ passed in the wilderness, withstanding temptation. His prayers in the garden of Gethsemane, and the indignities heaped upon Him at his trial. The prayers He offered for His enemies upon the cross were ever in my thoughts.

"I naturally remembered the prayers offered by Dr. Sun Yat-sen during his imprisonment in London. These scenes passed vividly before me again and again, like so many pictures. My strength redoubled to resist recalcitrants; with the spirit of Christ on the Cross I was preparing to make the final sacrifice at the trial of the so-called "People's Front." Having determined upon this course of action I was comforted and at rest.

"Following the settlement of the Sian affair, the rebels knowing their unwise and treasonable actions, naturally were afraid. Remembering that Christ enjoined us to forgive those who sin against us until seventy times seven and upon their repentance I felt that they should be allowed to start life anew.

At the same time I was greatly humbled that my own faith hadn't been of such quality as to influence my followers and to restrain them.

"Ever since training cadets and launching expeditions I have repeated to my followers these two principles: (1) on detecting the slightest selfishness on my part or discovering plans contrary to the interest of my country and people, any one may accuse me of guilt and put me to death: (2) should my words and actions betray the lack of truth and good faith or indicate the departure from the revolutionary cause and principle, any one of my subordinates may take me for enemy and put me to death. I honestly believe that these two sayings were prompted by sincerity and grew out of my religious faith. They are in line with the spirit of love of Christ and the forbearance and magnanimity of Dr. Sun Yat-sen.

"The life of Christ reveals the long record of affiiction and constant persecution. His spirit of for bearance, His love and His benevolence shine through it all. No more valuable lesson has yet come to me out of my Christian experiences.

"Dr. Sun Yat-sen was a Christian and the greatest thing he received from Christ was love—love for the emancipation of the weaker races and for the welfare of oppressed peoples. This spirit remains with us and reaches to the skies. I am an ardent follower of the revolution and although my faith in Dr. Sun at the outset did no appear to have any religious significance, it was similar to a religious faith. For this reason I have become a follower of the revolution based on the San Min Chu I.

"Today I find I have taken a further step and have become a follower of Jesus Christ. This makes me realize more fully that success of revolution depends upon men of faith and that men of character, because of their faith, cannot sacrifice their principles for personal safety under circumstances of difficulty and crisis. In other words, a man's life may be sacrificed, his person held in bondage, but his faith and spirit can never be restrained. This is due to the confidence brought about by faith.

"On this Good Friday these reflections are ours. For such is the importance of faith in revolution and faith in religions.

"What I have just said represents my spiritual conception of Good Friday, interspersed with a few facts out of my own experiences. I offer them as testimony and not in any sense to exalt my own worthiness and achievements. I take this opportunity to extend my greetings to the Central Conference of Eastern Asia of the Methodist Episcopal Church and to express my thanks to Christians everywhere for their earnest and continued prayers on my behalf."

Unreasonable Censorship in China Complained of by a Kweichow Youth

Lodging a bitter complaint against the unreasonable censorship in China, a special article written by a Kweichow youth from Kweiyang to the Magazine *Sheh Hui Kung Lin* (Mar. 1) stated that the general masses in China have been forced to keep their mouths shut, to bear all sorts of tortures, and even to be deprived of their right to express their will or murmuring against the existing situation. He charged that periodicals or magazines which had spread some idea of justice for the sake of China's national existence or rather for struggling for human rights, had either been directly banned from publication, or indirectly confiscated. Such drastic censorship is now in full swing in Kweichow, which is alleged to be the base of national renaissance.

"Kweichow youths appear quiet and silent," said the writer, "yet they are eager to obtain some knowledge and proper information from outside. They, therefore, subscribed to periodicals from other places.

"Unfortunately, however, in this Province, there has been set up a censorship committee, the members of which are dispatched from the local Kuomintang Headquarters, the Provincial Government, the Gendarme Corps and the Public Safety Bureau respectively. These committee members are well paid, and their office is established in the post office. Most of the periodicals, magazines, and especially newspapers, which, in their eyes, are reactionary or quaisi-reactionary in nature, are all confiscated. Without paying a cent from their pockets, they enjoy reading the most up-to-date magazines, and even their friends and relatives share this benefit. Under such unreasonable censorship, our Kweichow youths can but keep our eyes and mouths shut. Who will save us from such an irrational life?"

Agnes Smedley Not an Adviser to Former Red Leaders

Miss Agnes Smedley, American woman writer, who has specialized for several years on subjects connected with communistic developments in China, has denied that she is now serving as an adviser to the former red leaders in Shensi province. A news report in the issue of *The Review* for Mar. 13 referred to Miss Smedley as an adviser to the commanders of the former communist troops. In a letter to *The Review* Miss Smedley denied the allegation and stated that she was engaged in journalistic work and was trying to inform the outside world regarding real conditions in the Northwestern provinces. Miss Smedley stated that recently there had been many "wild tales" spread about her, most of which were "sensational journalism only."

China's Efforts to Conquer Opium Evil

BY MARCUS MERVINE

THE policy employed by the Chinese Government to destroy the opium evil in this country is unworkable because it does not provide for the control which is necessary if suppression is to be achieved, in the opinion of A. E. Blanco, Director of the Anti-Opium Information Bureau in Geneva.

"General Chiang Kai-shek, whose honesty of purpose I do not doubt, went way beyond his contractual obligations when he decided upon a six-year time limit to suppress opium in China," Mr. Blanco writes in one of his official reports. "He is only bound to do so gradually and with due regard to the circumstances existing in China.

"To achieve suppression in six years he has elaborated a system which cannot possibly lead to complete suppression by the end of 1940, because that system is imperfect and contains too many loopholes. These imperfections and loopholes have been pointed out by me to the Chinese Government." (Special Document No. 3).

Mr. Blanco believes that the best plan, considering conditions in China as they are and not as we would like them to be, would be the establishment of a prepared opium monopoly for China based on gradual suppression with a view to complete suppression in fifteen years. He believes that the policy of control rather than monopoly is less efficient and workable. He believes that six years is about ten years too short to obtain complete suppression of the traffic. He believes that an effort to control the traffic through *raw* instead of *prepared opium* leaves too many loopholes and imperfections.

Under a Government monopoly, opium would be purchased from the grower, transported, prepared, packed in small metal tubes properly marked, and sold by the Chinese Government itself.

A Prepared Opium Factory capable of packing the prepared opium in the metal tubes would be set up and Government stores would be opened to sell the "black rice" to registered addicts.

One of the chief points stressed by Mr. Blanco is that raw opium is opium that cannot be identified. If raw opium is found being prepared, there is nothing to show whether it is duty-paid Government-controlled opium or contraband opium. If the person found in the possession of opium is a licensed smoker or dealer there is nothing to permit the authorities to prove that it has been prepared from contraband or legal opium, hence there does not exist the control which is necessary if suppression is to be achieved, according to Mr. Blanco.

The Chinese Government at the present time operates on a policy of production control designed to end all opium in China by 1940 and does not operate a monopoly, to which it has always been opposed.

Although corrupt administrations, following the downfall of the Manchu Dynasty, encouraged the growing and use of opium for revenue purposes and although many of the feudal warlords which have held power until so recently made millions out of the opium traffic, the official policy of China always has been strongly opposed to opium and her first foreign war was with Great Britain because that country attempted to force China to accept Indian opium.

China Receives Little Actual Support

Mr. Blanco and other opium experts stress the fact that the Powers are now in a position to aid China to exterminate the menace of opium, but a reading of the minutes of the two International Opium Conferences held at Geneva in the winter of 1924-25 and subsequent meetings, should convince anyone that China has received little actual support from the other Powers having Far Eastern possessions, with the exception of the United States. Great Britain, France and The Netherlands have been China's greatest handicap in suppressing opium in China during the past, and Japan has now taken the leadership of that group. China was forced to withdraw from the 1924-25 opium conferences because the other Powers would not meet her half way. The Powers refused to adopt measures which, if strictly applied, would lead to an early end of the legalized use of prepared opium with their several jurisdictions. Since then, there has been little change in their attitude, although they still "talk big" when it comes to the question of opium suppression in China.

Notwithstanding the lack of support from the Powers, China has gone ahead with her program for opium suppression and has taken measures so drastic that world opinion revolted against them. Foreigners who condemn the Chinese Government's drastic policies for the suppression of opium and narcotics do not live in countries where millions of their fellowmen are doomed to an almost sub-human existence because of addiction to a killing vice.

Nanking has, by changing its policy from complete suppression to graduated control, assumed full responsibility for conditions in China and for the application of measures which would bring about suppression within a fixed time limit.

Despite the fact that an Opium Monpoly would greatly enhance Nanking's coffers by taking the profits from individuals into its own Treasury, the Nanking Government has consistently rejected this plan which in itself should reveal the sincerity of the Government in its intention to abolish the evil at an early data.

The argument generally used to attack a Monopoly is that it yields revenues and that Monopolies have a habit of going on forever. Mr. Blanco's answer to this charge is that the revenue is being collected anyhow, and it is better to know what is being collected, and that a Monopoly—which is run for a specific number of years on a system which provides for the annual reduction in amount of production, sales and individual consumption—is something quite different from a Monopoly which is to be exploited for an indefinite period.

However, the answer to Mr. Blanco's answer is that the Chinese Government does not want this temptation to be placed under the noses of the administrators of the frontier provinces where Nanking's supervision cannot always be constant.

The Chinese Government always has taken the attitude that the control of opium must come through control of production.

"One thing is quite clear; whatever the amount of opium produced, it would all be consumed. The amount produced is the amount consumed . . . ," said Dr. Alfred Sze, China's Delegate to the International Opium Conference.

He pointed out that during the period 1907 to 1917, production was gradually reduced in China and by the end of that period was practically suppressed. The Powers were satisfied, after careful investigation, that opium production was no longer in existence on a large scale, and Great Britain then made her first concessions to China in the matter of reducing Indian imports.

During the period of corruption which followed upon inauguration of the evil Peking Government and the era of militarism in China, there was a recrudescence of production and consumption but even during its worst, it never achieved the same scope as that which existed prior to the drastic suppression policy. The reduction still remaining was far greater in proportion than the reduction in the Eastern possessions of other Powers.

Let us look for a moment at the present production situation in China. Poppy cultivation (see Information Bulletin, Volume 1, Number 9, written by Tze-hsiung Kuo and published by the Council of International Affairs) is now prohibited in 12 provinces: Kiangsu, Chekiang, Fukien, Anhwei, Kiangsi, Hunan, Honan, Shantung, Hopei, Shansi and Chahar. Cultivation is still permitted in a limited number of hsien in Szechuan, Yunnan, Kweichow, Shensi, Kansu, Ninghsia and Suiyuan, but no cultivation is to be permitted in any province in 1940.

Production Control the Least Expensive Plan

Taking conditions in China as they are, production control is the most practical and the least expensive plan of control. We have seen what success the Government has had in enforcing the regulation providing for the registration of addicts. Only from 5 to 15 per cent of the addicts actually come forward for registration or are seized by police and forcibly registered.

All the elaborate plans suggested by Mr. Blanco and other experts fail to take into account the fact that Government control over the individual has, from time immemorable, been very slight. It is not possible to register all the addicts or take all other other intricate precautions as outlined in the Geneva proposals.

Opium monopolies everywhere have failed to eradicate the evil of opium. The Opium Monopoly in "Manchukuo" is probably the world's worst example because that makes no attempt whatever to suppress the growth of poppies or the use of the prepared product and, if seeing is believing, the Monopoly is actually engaged in gaining a wider market for opium among the Chinese population of the Three Northeastern Provinces.

The old Japanese monopoly in Formosa was started with the idea of gradual suppression but, unless I have been misinformed, the opium trade is almost as large now as it was four decades ago. The Government of the Netherlands East Indies refuses to suppress the use of opium on the grounds that it would make it impossible to obtain sufficient Chinese labor for the plantations. Indian, Turkish and Persian opium has always been a menace to China, and the situation in Manchukuo and Jehol is in such a state that legal and tax-paid Chinese opium has been driven completely out of the markets in North China.

The action which the Geneva experts could take that would really help China in her heroic battle against opium is to unite in halting the smuggling of opium from their Far Eastern possessions into China and to suppress opium production in those territories.

China today remains the greatest consumer of opium in the world but it is safe to say that she is no longer the greatest producer. Complete suppression of poppy cultivation in China at once, would be a sweet invitation to India, Japan, Persia, the East Indies and the Straits Settlements to restart the old East Indian Opium trade in full swing again.

However, opium as a national institution is definitely doomed. A tremendous tide of public opinion has swept the country against the use of opium and the people themselves are demanding results from the Government's anti-opium campaign. Young people these days do not use opium as their elders do, due to years of education, anti-opium propaganda and general improved public enlightenment.

A certain old-style Chinese family of which I know might be taken as an example. In the older generation, virtually all smoked opium, occasionally or habitually, but in the younger generation of eleven girls and nine boys, only two of the boys

smoked opium and one of them voluntarily took a successful cure. All of this second generation were, as infants, taken to the mother's opium kang and small clouds of opium were puffed in their faces. Chinese call this "p'en yen" (噴煙). The practice is followed in the belief that the child of a woman addicted to opium will not survive if it does not breathe opium smoke as an infant. Familiar with opium from infancy, they have grown into fine men and beautiful women, certainly a improvement over the older generation, now sodden with the narcotic.

The record of opium addict registration in Shanghai shows a large percentage of opium smokers of youthful or middle-age. The Information Bulletin shows the following distribution by age of addicts in Shanghai :

Under 20 ...	17	51-60	6,628
21-30	2,248	61-70	2,698
31-40	9,468	71-80	351
41-50	9,437	81-90	22

This would indicate, the Bulletin points out, that a people are being ruined in the prime of life. This is undoubtedly true but the same age distribution would not follow in any complete census of opium smokers. One interpretation would be that smokers of youthful age are more willing to be registered or are more often placed in a position where they must register, than the older addicts. The majority of addicts who are in the sanitariums and hospitals taking the anti-opium cure are young people and I have been told by many physicians that this is due to the fact that young people are more interested in taking the cure than elderly people. This is a healthy sign.

The Menace of Narcotic Addiction

The great danger is that as opium consumption declines, narcotic addiction increases. Dr. Sze aptly summed up this situation with the statement "the greater the success of the opium suppression, the more prevalent is the narcotic problem."

"Reports have come from provincial authorities that, almost in proportion as they succeed in stamping out the smoking of opium, there is recourse, especially by the poorer classes, to these smuggled-in narcotic drugs," he said.

Germany and Jugo-Slavia formerly were the chief offenders but Japanese-sponsored narcotic drugs, being so cheap and easily available, have crowded every other foreign-manufactured drug from the China market.

The charge that China has ever officially participated in the illicit heroin or other manufactured drug traffic is one that can never be made against her, even by her most evil critic.

There is absolutely no defense for Japan's narcotic policy in Manchuria or China. China has been made the target of attack and villification the world over because she has this immense and complicated opium problem on her hands but no voice has been heard among the Powers, either at Geneva or anywhere else, censuring Japan for her narcotic policy. History has never recorded a more foul method of one nation fighting another. Mr. Blanco might well turn his attention to this dirty business.

Japanese, Korean and Formosan fiends employ every manner of persuasion and fraud to get new Chinese addicts. Heroin, morphia and other drugs are sold as medicine, as opium cures, syphilis cures and whatnot. They are mixed with candy and given to children. Hundreds of patent Japanese medicines are nothing but narcotics. The National Health Administration recently promulgated a regulation prohibiting the use of heroin in any medicine. The quantity of narcotic drug used as an ingredient of any patent medicine should not exceed 0.2% morphine of 0.1% cocaine. This is an effort to protect the people from doped medicines but of course it will be useless in the case of foreign medicines.

Mr. Blanco's suggestion of an Opium Monopoly providing for the gradual suppression with total extinction in fifteen years would merely postpone the day of the showdown by nine or ten years. Under the present system, if rigidly enforced, China can go before the nations of the world in 1940 and show that no opium is grown anywhere in China beyond the quantity required for scientific or medical purposes, and then the shoe will be on another foot. Then the Powers with Eastern possessions will have to face the fact that they themselves are the ones guilty of smuggling their opium into China. If China seizes and destroys any of the opium thus smuggled, then Britain, France, The Netherlands or Japan can start another Opium War with China.

As a matter of fact, the proposal for the establishment of a Prepared Opium Monopoly providing for total suppression within a period of fifteen years is not new. The United States' proposal to the Second Opium Conference mentioned the fifteen year period. The Chinese repeatedly stated that "the time has come for these Powers to declare, in definite terms, either that legalized traffic in prepared opium within their several territories or possessions will be brought to an end within a fixed period of time." It was always urged that total suppression be accomplished within a fixed time.

The eyes of the world are upon China in her heroic effort to rid herself of the opium habit and China, knowing this, must make her program a success. She must prove that the system she had adopted is better than any other system, all of them less drastic, which the Geneva experts propose. It is high time the Geneva experts turn the spotlight on the narcotic traffic of the other Far Eastern Powers, particularly Japan and Great Britain. Quoting from the minutes of the Second Opium Conference ; "Mr. Campbell had assured the Committee once more that the Indian Government would never undertake to suppression of opium in India."

"A Conspiracy of Silence"

Mr. Blanco and some of the other foreign experts feel that there is a "conspiracy of silence" in the press of the country on the opium issue and point to the fact that the Silver Jubilee number of the *China Press* had not one world about the opium question.

"There has seldom been in the history of any country as important a problem which has received so little intelligent attention from the press as the opium problem of China," says one such letter received by the editor of the *China Weekly Review*. "Granted that the Chinese newspapers are under orders to soft-pedal things, that is no reason why some foreign paper in Shanghai should not handle the question objectively and constructively.

"There are not lacking bushels of statements, made at one time or another, recognizing that the opium problem is China's most vital problem ; that until it is settled and settled right, nothing is settled ; that it undermines the vital forces of China, etc."

The experts in foreign lands who write in this manner do not have a very complete mail bag arriving in their offices as far as newspapers and magazines published in China are concerned. The opium question ranks high on the list of important questions discussed almost daily. In my file of press clippings, the three fattest files are "Sino-Japanese Relations," "United Front and Communists," and "Opium and Narcotics."

The Chinese Government publishes numerous educational and informative pamphlets, booklets and other publications on the issue in Chinese and some in English.

I make the charge that there is a "conspiracy of silence" in Geneva with regard to Japan's policy of forcing heroin and other narcotic drugs into the veins of the Chinese people with a bayonet point.

The Chinese Government has made a precise statement of conditions as they exist in China today and of its policy with regard to suppression during the next few years.

It is high time the League of Nations or some other duly authorized international authority undertakes a campaign to "drive or shame" Japan into a full confession of her narcotic policy on the Asiatic mainland and a full statement of her future intentions with regard to narcotizing the Chinese race.

High Price of Fuel Oil Hits Chinese Electric Light and Power Companies

The rising cost of crude oil fuel threatens to cut off the electric lighting of many small cities throughout the lower Yangtsze Valley. Reports received by the Association of Chinese Public Utility Corporations state that over 200 electric light and power companies are faced with the possibility of shutting down their plants owing to the difficulty of obtaining crude oil for their Diesel engines. During the past ten years most of the plants have been induced to discard their steam boilers for Diesel engines owing to the cheapness of operation and adequate supply of crude oil for the Diesel machines.

Latterly, however, the price of crude oil has practically doubled and, with increased demand for lighting and power, the agents in provincial cities of the big oil companies have been adopting a restrictive policy and, it is alleged, indiscriminately cutting down the monthly quantities of crude oil contracted for by the power plants.

To cope with the emergency, the power plants are faced with two alternatives—either to revert to steam and coal or to secure cheaper sources of supply for crude oil.

A meeting of fuel oil consumers has been convened under the auspices of the Association of Chinese Public Utilities at which it was decided to form a co-operative union to deal with the situation.

Kuo Min says enquiries will also be made immediately with independent California oil companies for bulk shipments from America, so the alternative sources of supply may be contracted for in case of unsuccessful negotiations with the established oil companies in China. Z. F. Shen and C. S. Tang, representing companies which are members of the Association of Chinese Public Utilities, have been appointed to organize the co-operative union and to conduct negotiations with the oil companies.

Dr. Chu Min-i and Dr. Wu Lien-te to Head Yunnan Highway Inspection Party

It is announced that Dr. Chu Min-i, member of the Central Supervisory Committee, and Dr. Wu Lien-te, Director of the National Quarantine Service, have been invited by the Executive Yuan to serve as Head and Deputy Head respectively of the Nanking-Yunnan Highway Inspection Party which will set out from the Capital for Kunming (Yunnanfu), provincial capital of Yunnan, on April 5. The number of members of the party has been limited to 80. Telegrams have been received from the various Provincial Governments along the route welcoming the party.

DOCTOR, I MUST GET RID OF THESE NERVOUS HEADACHES AND CONSTIPATION
YOU'VE GOT STARVED NERVES! YOU CRAVE THE PRECIOUS VITAMIN B STORED IN QUAKER OATS
LISTEN TO THIS STORY...
...ABOUT TWO MONTHS AGO ONE OF MY PATIENTS CAME TO ME IN A FRIGHTFULLY RUNDOWN AND NERVOUS CONDITION...
HE WAS A LAXATIVE FIEND. HIS INTESTINES COMPLETELY LACKED TONE. DIGESTION WAS POOR. HIS WHOLE NERVOUS SYSTEM WAS A WRECK. I HAVE SELDOM SEEN SUCH A SALLOW COMPLEXION.
I CAREFULLY CHECKED HIS DIET AND FOUND HIM STARVED FOR THE PRECIOUS NERVE-NOURISHING VITAMIN B. A VITAL ELEMENT WE CAN'T STORE IN OUR BODIES. WE MUST EAT IT EVERY DAY. SO I PRESCRIBED A DAILY DIET OF QUAKER OATS.
LATER HE CAME IN TO THANK ME. WHAT A CHANGE! CURED OF LAXATIVES. BLOOD RICHER! BETTER NOURISHED. SLEEPS WELL, SHOWS NO SIGNS OF NERVOUS STRAIN HEADACHE. ALL BECAUSE QUAKER OATS GAVE HIS BODY THE PRECIOUS VITAMIN B AND MINERALS HE NEEDED SO MUCH.
...AND SO I TOOK THE DOCTOR'S ADVICE!

"*No more nervous worry or headaches for me!* I GET VITAMIN B EVERY DAY FROM DELICIOUS QUAKER OATS" M-21

Now available in Quick-Cooking form — Cooks in 2½ minutes.

Nervousness, sickness, headaches, constipation, and a general run-down condition all follow when your system fails to get enough of the precious nerve-nourishing Vitamin B stored so abundantly in Quaker Oats. This vital food element we *must* eat every day because our bodies can't store it.

Quaker Oats is a vitality food! It is one of the richest foods in iron and copper—the minerals that build rich, red blood. Gives new strength to enjoy the good things in life.

QUAKER OATS

Gives you the Vitality to keep you fit

EXPERTS SELECT QUAKER OATS FOR DIONNE QUINTS

With the whole world of food science to guide them, experts in charge of these little wards of H. M. The King, put them on Quaker Oats even before their first birthday.

Made from plump Dominion grain.

50% richer in muscle-building value.

Rumored Increase in Tobacco Tax Causes Advance in Price of Cigarettes

Reports unconfirmed in official circles of an impending heavy increase from April 1 in the rate of consolidated tax on rolled tobacco have brought about a scramble among small retailers in Nanking for cigarettes. In many instances, the retail price of cigarettes has already been increased by about 20 percent per package.

A delegation representing the tobacco merchants in Shanghai proceeded to Nanking this week to petition the Central authorities to postpone the projected increase of the tax on rolled tobacco. The tobacco merchants pointed out that owing to the large-scale smuggling of tobacco, a grave blow has been dealt to the business of the law-abiding merchants. A further increase of the tax on rolled tobacco will more adversely affect only the latter's business.

The *Ta Kung Pao* stated that an increase of the excise tobacco tax in China was approved at a meeting of the Central Political Council Mar. 24. The increases, which are to be enforced as from April 1, range from 25% to 150%.

The new tax on cigarettes of a quality selling from $200 to $300 a case amounts to 150% increase; on the quality selling up to $200 a case the increase is 25%. All of these brands use large quantities of American tobacco leaf and as the increases are heaviest for the better grades the import of American tobacco leaf will be badly hit.

It was pointed out at Nanking this week that the revenue from rolled-tobacco consolidated tax during the last few years has occupied an important place in China's national receipts, the figures for last year being more than $89,000,000. The proceeds of the tax, it is stated, are to be used for economic development as a result of the control production policy adopted by the Ministry of Finance.

Additional Tax on Rolled Tobacco Not Yet Decided

A *Central News* message from Nanking Mar. 29 stated that although it has been widely reported that an additional tax would be levied on rolled tobacco as from April 1, information from financial circles revealed that no decision on the matter has been reached by the government. It was learned, however, that a proposal to this effect had already been made to the government but whether it would be adopted or not had not been decided upon.

Japanese Gunboat Investigates Arrest of Chinese Employee of Hanyehping Co.

The Japanese gunboat *Hira* Mar. 30 stood by at Tayen, a mining town midway between Hankow and Kiukiang, awaiting the release of a Chinese employee of the Han Yeh Ping Iron and Coal Company, Ltd., a Sino-Japanese concern. Aboard the gunboat was Sergeant Masaichi Suzuki, of the Japanese Consular Police, who was dispatched to the Yangtsze port to investigate the incident. As soon as Sergeant Suzuki returns to Hankow it is intimated that Yoshiaki Miura, Consul-General, will make representations to the Hupeh Provincial Government.

The dispute arise through the arrest by Chinese police on Mar. 23 of Hsu Shih-pin, secretary of the Han Yeh Ping concern and concurrently secretary of the Tayeh branch of the Kinkai Yusen Kaisha. Simultaneously, ten other Chinese supervising the loading of iron ore aboard Japanese vessels, were placed under arrest. The negotiations for the release of the arrested men and the resumption of loading of ore are being conducted between the commander of the gunboat and the city magistrate.

Japanese consular officials said that the Japanese interests involved are suffering large financial losses as a result of the delay in transporting the ore to Japan.

Seventy Japanese Warships Participate in Maneuvers in Tsingtao Harbor

Seventy men-of-war of the Japanese First and Second Fleets staged a series of maneuvers off Tsingtao, commencing March 30. Great attention is being paid to these maneuvers by the Japanese naval authorities, since China is the hypothetical enemy.

The Combined Fleet is under the command of Admiral Osami Nagano, Minister of the Navy in the Hirota Cabinet and head of the Japanese delegation to the London naval conference last year. The vessels, anchored in the outer and inner harbors, are remaining at Tsingtao for five days. The program of entertainment includes a luncheon for all the higher officers in the spacious grounds of the Japanese shrine in Tsingtao.

Admiral Shen Hung-lieh, the Mayor, will also give a banquet in honor of the visitors. Meanwhile, 12 Japanese army officers from Tientsin arrived in Tsingtao to exchange views with the naval leaders, who include, besides Admiral Nagano, Vice-Admiral Yoshida, commander of the Second or Cruiser Fleet, and Baron Asmejima, who commanded the Japanese naval landing force in the Shanghai war in 1932.

In response to an invitation from the Japanese, more than 20 commanders of the 29th Route Army are attending the Japanese maneuvers, among them being General Hsu Ting-yao, heroic defender of Hsifengkow, during the Sino-Japanese War.

Gen. Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, sent Gen. Hsu Ting-yao, director of the training department of the Twenty-Ninth Army, Gen. Hu Cheng-kwei, Chief of Staff of the Hopei and Chahar Pacification Headquarters, and Mr. Sakurai, Adviser to the Hopei and Chahar Political Council to witness the Japanese naval maneuvres at Tsingtao.

Dwelling on the subject of the Tsingtao naval maneuvers the *Lih Pao*, in an editorial commented: "It appears that two different policies have been adopted in Japan, that is, cheating and threatening. Mr. Sato and other Japanese financial leaders have adopted the method of cheating by clamoring for so-called economic co-operation, while the method of threatening is still being insisted on by Japanese militarists, whose latest masterpiece are the naval maneuvers near Tsingtao. The Japanese, however, must be given to understand that the Chinese people are determined in their intention to resist any further violation of their territorial rights and to recover the lost territory. The present unity among the people in China will frustrate all threats imposed on a few traitors in China by the Japanese . . . . It is strange that the Japanese navy has to maneuver in China waters with China as the supposed enemy. The action is comparable to the 10-day maneuvers of the Japanese troops in North China last winter. Both are demonstrations of Japan's aggressive might."

Shantung Chief Threatens to Detain Japanese Planes

According to information from the Japanese, General Han Fu-chu has decided to take strong action against the flight of Japanese planes over Tsinan. He threatens that if any more of the Weitung Company planes land at Tsinan, they will be detained. Japanese planes land frequently at Tsingtao without securing permission from the Chinese authorities.

Japanese to Construct Tientsin-Tangku Tramway

Plans are now under way to construct a tramway line between Tientsin and Tangku by the Japanese. The construction of the tramway will be more or less similar to long distance tramway lines in Tokyo.

Martial Law Declared in East Hopei

Martial law has been proclaimed in the area controlled by the bogus East Hopei regime. It is reported that the Peace Preservation Corps of the bogus regime stationed at Luanchang are preparing to stage a revolt against Yin Ju-keng, notorious leader of the bogus regime, together with the bandits in the districts.

Tungchow and Nankow Incidents Settled by Payment of Compensation

Japanese circles in Peiping, Mar. 24 described the Sino-Japanese incidents which recently occurred at Tungchow and Nankow as "very small matters, indeed." The Japanese adviser to the Hopei and Chahar Political Council has, according to Chinese quarters, settled the Tungchow matter on the following terms: Mutual apologies; payment of compensation to the injured man; and a guarantee that such incidents will not recur.

The Tungchow incident of Mar. 12 when two Koreans were killed was mentioned in the House of Commons, but Sir Anthony Eden said he did not consider it a matter that necessitated enquiry.

A group of six Korean "ronins" seriously wounded a railway porter at the Tientsin East Station Mar. 25 when they attempted to take forcible delivery of a consignment of smuggled goods.

Denjiro Kato, first secretary of the Japanese Embassy, called on Mayor Chin Teh-chun in Peiping, Mar. 23 and drew his attention to alleged incidents on the Peiping-Suiyuan Railway involving Japanese travellers, such as unnecessary search of baggage and disturbance in the berths at night.

Military inspectors on the Peiping-Suiyuan Railway convicted of having unnecessarily molested Japanese passengers have been dismissed, Gen. Chin Teh-chun, Mayor of Peiping, told Japanese reporters in Peiping Mar. 24.

H.C.P.C. Orders Collection of Income Tax in Hopei and Chahar

Collection of income tax in Hopei and Chahar provinces and in Tientsin and Peiping beginning from April 1 was ordered by the Hopei-Chahar Political Council Mar. 24 T. S. Yang will be in charge with P. H. Li as deputy director.

Seiyukai Member Suggests Cooperation with China

Co-operation with the Chinese authorities in restricting "special trade" in North China was suggested to the Tokyo Government Mar. 23 by Fusajiro Ichinomiya of the Seiyukai at a session of the Lower House budgetary committee. Such assistance to China, Mr. Ichinomiya said, not only constituted "a prerequisite for Sino-Japanese economic co-operation, but will also serve in presenting the righteous character of our nation to the world at large."

Tientsin Chinese Chamber to Aid Curbing of Smugglers

The efforts of the Chinese Maritime Customs to curb the activities of smugglers in North China met with encouraging support Mar. 26, when the Chinese Chamber of Commerce at Tientsin decided to enforce among its members the recent measures laid down by the Commissioner of Customs, W. R. Myers, to check smuggling.

These measures, which were adopted following numerous raids on leading Chinese shops in the Chinese city and seizures of smuggled goods, includes registration of all stocks of smuggled goods with the Customs, which in the meantime suspend raids; and an undertaking by merchants to present their books for examination to pay duties according to the Customs schedule, and to furnish pledges not to accept or deal in smuggled goods.

An important conference was convened by the Customs officers in the Customs Officers Club in Shanghai Mar. 25, for a discussion of the measures to be taken to cope with the Japanese smuggling. It was decided that 40 percent of the reward will be given to those who give information leading to conviction of smugglers; Customs officers are to be armed.

Japanese Ministry of Communications Inspection Party Visits Peiping

A party of officials from the department of telegraph administration of the Ministry of Communications in Tokyo has arrived in Peiping to investigate telegraph administration in Hopei and Chahar. The party is headed by Messrs. Ono and Watanabe.

Japanese Investigate Economic Possibilites in Shansi

The Tsungshing Company, chief organ of Sino-Japanese economic enterprises in North China, has sent its general manager to Taiyuan for an investigation tour with the object of enforcing Sino-Japanese economic co-operation in Shansi Province, the *Shun Pao* of Mar. 24 stated.

Japanese Indemnity to Be Used for Railway and Mining Development

The *Sin Wen Pao* says a sum of $24,000,000 from the Japanese Boxer Indemnity Refund will be spent for the opening of the Lungyen iron mine and the building of the Tsangchow-Shihchiachuan Railway.

Japanese to Open "Smuggling Harbor" in North

With a view to facilitating the Japanese "special trade" or smuggling activities in North China, the Japanese are now planning the opening of a so-called "smuggling harbor" in Tatsingho, the *Shun Pao* of March 24 stated.

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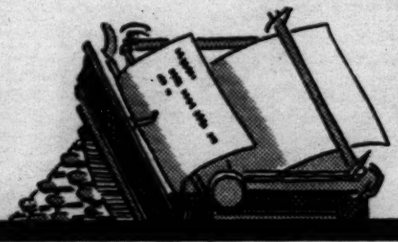

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Control of Hankow Bank by Chosen Bank Likely

The *Tokyo Nichi-Nichi* reported Mar. 20 that the Hankow Bank (Capitalization-Yen 1,000,000, one-fourth paid up) is likely to come under the control of the Bank of Chosen (Korea) in connection with the latter's advance to the Yangtsze District with the absorption of the Shanghai Bank. The Shanghai Bank is expected to extend its activities to accommodation of loans on immovables besides taking care of the financing affairs of the Japanese residents in the Yangtsze District. In short, the Bank of Chosen, at the request of the Japanese resident in China, projects to move all the activities, hitherto concentrated in Manchukuo, to China.

74 Tientsin Silk Shops Close in View of Rampant Smuggling

Seventy-four silk shops, all members of the Tientsin Silk Shop Association, have closed their doors in the past few months, because of the serious effects of smuggling. At present, only 40 silk shops belonging to the Association are operating as usual and then only under great difficulty.

Another Customs Officer Badly Wounded by Japanese Copper Smugglers

Another Custom officer was badly wounded on the night of Mar. 21 by Japanese ronins, who continued their activities in smuggling coppers to Japan. The incident this time also took place at Wayside Wharf, when an unarmed Customs officer, in his attempt to prevent the smugglers from loading a large quantity of coppers on a Japanese boat, was attacked by a number of Japanese ronins and was subsequently injured.

With copper contrabandists overrunning every Japan-bound ship, Chief Tajima, of the Japanese Consular Police, threatens to punish "those who cause trouble in smuggling out copper coins." Severe punishment, the Japanese police warning says, will be meted out to smugglers resorting to violence against Customs officials.

Disturbed over the rampant smuggling by Japanese and Korean ronins in Shanghai and their repeated manhandling of Customs inspectors there, the Nanking Labor Welfare Association has petitioned the National Government to take effective measures to curbing these unruly activities.

Kodama Helps Custom Officers to Detain Copper Contraband

The *Ta Wan Pao* of Mar. 27 in relating that the Custom officers had arrested Japanese smugglers who had attempted to put a large quantity of coppers on board the *Shanghai Maru*, said that the success of the Custom officers in detaining more than 500,000 copper coins was due to the "unconscious" assistance offered by Mr. Kodama, Head of the Japanese Economic Delegation, who appeared at the wharf just as Japanese ronins were attempting to take forcible action to regain their property which had been seized by the Customs officials. Therefore, in order to "save the face" of Mr. Kodama, Japanese Consular police prevented the ronins from taking any forcible action, thus enabling the Custom officers to hold on to the smuggled coppers.

Smuggling of Copper Coins in North China Intensified

It was reported on Mar. 26 that the Customs preventive officers at Tientsin last week had seized five consignments of contraband copper coins which were in the process of being sent to an unknown destination.

"Lih Pao" Says Fascists Will Continue Aggressive Activities in China

The *Lih Pao* commented that it is erroneous to assume that the Japanese Fascists will relax their aggressive activities in China. Drawing a moral from the attack on the Customs officers by the copper smugglers the *Lih Pao* commented: "It is our opinion that, before starting any further negotiations regarding economic co-operation, we must show the Japanese Fascists what we can do; so that they will not attempt to take any more frantic actions after having learned a painful lesson from us."

Mayor Wu Gives Details of Anti-Illiteracy Drive in Shanghai

A total of 257,571 out of 434,452 illiterates in Shanghai between the ages of 7 and 40 have been enrolled in free education classes conducted by the City Government of Greater Shanghai since the anti-illiteracy movement was launched on July 1, 1935, according to Mayor Wu Te-chen, who spoke before the annual meeting of the Shanghai International Educational Society at the New Asia Hotel, Mar. 19.

Up to now, Mayor Wu said, 978 free schools have been opened. To accelerate the campaign with the hope of entirely eradicating illiteracy in Shanghai, 83 additional schools with a total of 332 additional classes will be established for the coming session. Declaring that the general educational level of the masses has a strong bearing on the growth of a nation and that mass education has long been one of the six major planks on the Kuomintang program, Mayor Wu stated that Shanghai decided in 1935 to enforce compulsory education.

Can Japan Survive?

BY NUGENT RUGGE

(Continued from last week)

Condemnation by the League

The League of Nations, to which China appealed, appointed a Commission (strangely enough, at Japan's request) with Lord Lytton of Great Britain as Chairman and with members representing France, Germany, Italy and the United States of America to study the situation and submit a report. After a most painstaking investigation, during which Japan was afforded every opportunity of presenting evidence, the Commission decided unanimously that Japan was at fault. The decision was afterwards endorsed by the Assembly of the League of Nations, the only nation dissenting being—Japan. Among the nations which condemned Japan were Germany and Italy, which have since followed her example of treaty repudiation.

The public rebuke administered to Japan was so fiercely resented that she left the League of Nations, and adopted an attitude of defiance that has since been maintained. (It may be remarked that the history of the world contains no record of any nation having been previously brought to the bar of public opinion and censured by its peers for bad faith). Japan remained in practical isolation until towards the end of 1936 when she concluded agreements with two other treaty violating nations, one of which had been condemned by the League of Nations for conduct similar to that of Japan in 1931 and later.

A Bad Example

There can be little doubt that Germany and Italy carefully noted the fact that Japan, though publicly condemned, was left in possession of her ill-gotten gains. It is worth observing in passing that the result might have been somewhat different had the then British Foreign Secretary been a man of strong character. Sir John Simon unfortunately was weak and politically myopic. In any event, the two countries named saw that flagrant repudiati n of treaty undertakings involved no material loss. A nation that was indifferent to moral censure could evidently break its word with impunity. In due course Germany repudiated some of the undertakings she entered into when she signed the Treaty of Versailles. She openly rearmed and re-occupied the Rhineland. But, in fairness to Germany, it should be recognized that her conduct is not so indefensible as that of Japan. Germany did not violate a treaty that she entered into of her own free will. Many non-Germans hold that the treaty of Versailles was of such a nature that it should never have been imposed upon a defeated nation. Germany signed under military pressure, and her repudiation of certain of its articles, though blameworthy, was in legal phraseology a misdemeanor, while Japan committed a crime.

In this Japan has been followed by Italy. That country distinguished itself in the World War when it was in alliance with Germany and Austria, by turning against them, and finally enriching itself at the expense of Austria. Italy has been equally perfidious in her relations with the League of Nations. Taking a page out of Japan's book, she selected for aggression a militarily weaker fellow member of the League of Nations; opened hostilities without declaring war, and conducted them with brutal disregard to the lives and property of the civilian population. Italy so faithfully followed in Japan's footsteps that it is impossible to avoid the conclusion that she was encouraged and inspired to launch her adventure in Ethiopia by the example of bad faith set by Japan in Manchuria in 1931.

A Fascist Bloc

Japan, Italy and Germany are, therefore, all tarred with the brush of bad faith. Not only are they in a class apart, but they have now formed a Fascist front. It is true that Japan's agreement with Italy, as far as the world knows, has no direct reference to Communism, but it is expected that, when the opportunity offers, the latter will associate herself with the anti-Comintern pact directed against the Soviet Union. The conclusion of the pact between Germany and Japan, though acclaimed by the militarists in the latter country, was roundly condemned by the civil public. It was held that the pact was of no service to Japan, and would only further estrange Great Britain and the United States. Probably, however, the militarists will carry the day. Japan, to put it frankly, is under military terrorism. Military risings which took place in Tokyo in 1932 and 1936 were marked by the murder of prominent politicians, and even of high army and navy officers who were deemed to be insufficiently active in upholding the supremacy of the militarists. Incidentally these mutinies showed that the militarists themselves are split into right and left factions. Another proof that the militarists are a law to themselves has been supplied by the Kwantung Army which openly defied its own Government in 1931 and since. As recently as October, 1936, a civilian Minister plaintively admitted that the Kwantung Army did not see eye to eye with the Foreign Office. The rest of the Cabinet do not put up any serious resistance to the extortionate financial demands of the service Ministers. The Minister of the Navy blandly declared lately that it was not proposed to inform the Diet what plans of naval expansion the naval authorities had in mind. In such circumstances Japan will remain one of the Fascist bloc.

As will be explained later, her membership of this bloc is not likely to strengthen Japan's position. She was the paramount Power in the Far East between 1918 and 1931. On the Pacific she was supreme by virtue of the Washington Naval Agreement. On land she was unchallenged. Japan was able to get along with a fairly heavy, though not intolerable, expenditure upon her army and navy, and her financial position was not alarming. All this was changed after 1931. As will be seen from some statistics to be quoted later, the Manchuria adventure necessitated a vast increase in what is misleadingly termed "defence" expenditure. But, although Japan has certainly increased her armaments, it is entirely erroneous to suppose that she is stronger than prior to 1931. Then she was on good terms with the world generally, though her attitude towards China was widely condemned. Still she had shown no intention to entrust her future to chauvinistic militarists and allow them to force her to commit offences which would lose her the friendship of the world. The bitter anti-foreignism afterwards voiced by Araki, Amau and others had at least then found little open expression. Japan appeared to be desirous of good standing in the world's estimation, especially among the nations which had extensive interests in the Far East. Now she has, by her own choice, to compete for paramountcy on land and sea in Eastern Asia.

The Financial Burden

It is time to consider the pecuniary cost to Japan of her military aggression on China in 1931 and in subsequent years. Statistics are not as a rule enlivening reading, but the three tables which follow, taken, except the first, from official Japanese returns, are more eloquent than would be pages of analysis and criticism. They show that Japan's steady progress towards national bankruptcy has been almost entirely due to the militarists' embarcation upon the Manchuria adventure. It is worthy of remark that, although the fullest information is given in Japanese official returns regarding the revenue and expenditure, growth of the national debt and so forth, the actual increase of taxation per head is difficult to ascertain. Figures relating to taxation are, of course, given, but the growth of the annual contribution per head of the population can only be discovered after exhaustive research. Consequently it is impossible to state definitely what is at present the local and state taxation per head. The latest year for which returns—which are not official, but are believed to be accurate—are obtainable is 1930. The following table, however, shows the trend:—

Combined state and local taxation per head:

1891	Yen 2.2
1911	10.1
1919	18.0
1930	25.8

Much fuller and later information about the national debt is available. This deserves to be studied carefully. It shows that the price of becoming "the main stabilizing element of the Far East," the creator of "Manchukuo," and—unwittingly—the most powerful influence in unifying China, has been heavy. The table below shows the development of the national debt since 1930-31:—

NATIONAL DEBT

1930-31	Yen 5,955,816,760	dec.	Yen 3,640,327	Yen 63.7	per head
1931-32	,, 6,187,657,474	inc.	,, 231,840,714	,, 65.4	,, ,,
1932-33	,, 7,054,195,552		,, 866,538,078	,, 73.4	,, ,,
1933-34	,, 8,139,038,392		,,1,084,842,840	,, 83.4	,, ,,
1934-35	,, 9,090,454,022		,, 951,415,630	,, 92.3	,, ,,

The fiscal year begins on April 1 and ends on March 31. Consequently the last line of the table above indicates the total indebtedness on March 31, 1935. Official figures show that the receipts from public loans to the end of July, 1935, were Yen 742,542,445. It is not clear whether the period in which this amount was received was from January 1 or March 31, but it is evident that the burden was greatly increased in the fiscal year 1935-36. This year (1937) the national debt will probably exceed Yen 10,000,000,000, which Mr. Takahashi—the veteran Minister for Finance who was murdered by the military party in February, 1936, because he was opposed to their extortionate demands—held to be the extreme limit to which Japan could go with safety.

Clearly, the Japanese military party has been primarily responsible for almost doubling the national debt in five years. Interest has to be paid on this huge indebtedness, and the expedient of contracting fresh loans to pay the rapidly increasing interest bill cannot indefinitely be relied upon. Moreover, Japan in 1935 owed Great Britain, the United States and France no less than Yen 1,402,943,272. She has to meet interest and amortization charges with a currency that has been greatly depreciated and is still depreciating. Her credit abroad is not sufficiently good for her to risk conversion loans on the foreign market.

(To be Continued next week)

Colonel Chen Appointed New Head of Central Aviation School in Hangchow

The Executive Yuan Mar. 22 appointed Col. Chen Ching-yun as principal of the Central Aviation School in Hangchow to succeed Col. Huang Kwang-jui who has been transferred to another post.

Aviation Association to Have Branch in Peiping

Plans are being drawn up by the China National Aviation Reconstruction Association for the establishment of a Branch in Peiping. Gen. Feng Chi-an, Chairman of Hopei, has been elected chairman of the new branch.

Britain to Build Airdrome at Haichow, Foochow and Amoy?

Great Britain is reported (*Shanghai Nippo*, Mar. 24) to have concluded agreements with the Nanking Government for the construction of a large airdrome at Haichow in North Kiangsu, and two others in Foochow and Amoy, respectively. The *Nippo* commented that, according to the provisions of treaties between China and Japan, China is prohibited from leasing land in either Foochow or Amoy to any third power.

House of Commons Rejects Labor Amendment to Reduce Air Estimates

By 202 votes to 106, the House of Commons March 22, rejected a Labor amendment to reduce the vote on the Air Estimates, which amount to £88,588,600 gross and £56,500,000 net and show an increase of nearly £32,000,000 on the 1936 total.

French Promise 7-Day Service to Paris End of This Year

M. Hirschauer, Engineer-in-Chief, and Civil Aeronautic Inspector, in an article entitled "Return from a Trip to China," appearing in the current issue of the Paris magazine *L'Illustration*, states that the French air line by the end of this year will make it possible to take the trip between Shanghai and Paris in seven days.

Japanese Monoplane to Start on Flight to Europe

The *Kamikaze*, a monoplane made of material entirely supplied by Japan, arrived in Tokyo from Osaka Mar. 26. A christening ceremony took place at the Haneda international airport on April 1, following which the *Kamikaze* will hop off on a goodwill flight to Europe.

First Aerial Defense Practice to Take Place in Shanghai

The Shanghai Kuomintang Headquarters decided Mar. 27 to carry out an aerial defense practice in Shanghai for the first time by the middle of May next.

Huge Monoplane Completed in Japan

A giant experimental monoplane, designed specially for long distance flights, was completed in Tokyo under the supervision of the Aeronautical Institute of the Tokyo Imperial University. The huge aircraft, whose construction was begun in 1933, cost its builders Yen 240,000. Its builders claim that the airplane will be able to fly 16,000 kilometers non-stop in 80 hours. Its maximum speed, 280 kilometers an hour, is slow for modern machines.

Japanese Bomber Burns and Crashes—Crew Escapes in Parachutes

Three members of the crew of a Japanese military bomber barely escaped with their lives Mar. 30, when their craft caught fire and crashed into Hamana Lake, Shizuoka Prefecture. The airmen escaped in their parachutes.

Thirteen Killed in Plane Crash at Pittsburgh Airport

Douglas transport plane of the Transcontinental and Western Air Express crashed five miles south of Pittsburgh airport, Mar. 25 killing thirteen occupants. The air liner was en route to Chicago from Newark.

Dr. Wang Chung-hui Receives Methodist Church Delegates

Dr. Wang Chung-hui, Minister of Foreign Affairs, received delegates and guests of the Central Conference of Eastern Asia of the Methodist Episcopal Church at the Waichiaopu in Nanking Mar. 27. The delegates were presented to the Foreign Minister by Dr. Ralph A. Ward, Chairman of the Committee on Arrangements.

Dr. Wang paid a high tribute to the fine service rendered to the Chinese nation by the Christian Church and wished the conference highest success in its present session.

Bishop W. E. Hammaker, resident bishop of the Methodist Church in Nanking, replied on behalf of the conference. He also spoke of the great progress made by China in various fields and voiced the earnest desire of the Christian people to make the largest possible contribution to the welfare of the Chinese nation.

Dr. R. A. Ward, Nanking missionary of the Methodist Episcopal Church, who was elected Bishop for West China by its Central Conference of Eastern Asia Mar. 29, was consecrated to office at its final session the following day. The consecration ceremony was in charge of Bishop W. E. Hammaker of Nanking and Bishop John Gowdy of Foochow, the latter having been reelected by the conference.

C. S. S.

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Deficit of National Government Amounts to $180,000,000

The *Tah Kung Pao* says the deficit of the National budget this year will amount to about $180,000,000, of which $100,000,000 will be used for reconstruction work. Strictly speaking, therefore, the deficit will be $80,000,000. The Government is now planning retrenchment in its expenditures in order to balance the budget, the main points of which are follows:— Payment of all extraordinary expenditures to be supended; all superfluous government organs and enterprises to be abolished; all enterprises of minor-importance to be postponed.

In the meantime, plans are under way to exclude the expenditures of reconstruction work from the national budget. A special sum will be set aside to carry out the reconstruction work.

C. P. C. Approves Establishment of Central Reserve Bank—to Have Monopoly of Note Issue

After careful study by the Codification, Finance and Economics Committees of the Central Political Council for over a year, the draft law for the organization of the Central Reserve Bank of China was formally adopted by the Council at its weekly meeting in Nanking, Mar. 24. Highlights of the draft include the stipulation that the Governor of the Reserve Bank should devote full time to his job and that the "bank of banks" be capitalized at $50 million, ($20,000,000 from the Government, $15,000,000 from the different banks and $15,000,000 from the people).

The regulations will be referred to the Legislative Yuan for examination and enactment. It is generally believed that the Central Reserve Bank will be organized in May. T. V. Soong, chairman of the board of directors of the Bank of China and executive member of the standing committee of the National Economic Council, attended the meeting of the Central Political Council, and participated in the discussion on the regulations of the new Bank.

The *Ta Kung Pao* Mar. 27 stated that all bank notes except those of the Central Reserve Bank will be banned from circulation after four years' time.

The capital of the new bank, which was originally fixed at $100,000,000, according to the regulations, has been reduced to $50,000,000. The reduction is deemed necessary because of the fact that the chief mission of the reserve bank is to readjust and stabilize the currency of the country and not to reap unnecessary profits. The excess of capital, on the other hand, would increase its burden, as the bank would have to allot more interest on its stocks.

National Government to Issue Loan for One Hundred Million Dollars

The *Shanghai Mainichi* Mar. 27 stated that Central Government will soon issue a construction loan in the sum of one hundred million dollars, which will be used for the carrying out of the Five-Year Plan for Economic Reconstruction in China.

Central Mint Builds Addition to Accommodate Eight New Stamping Machines

An extension costing $20,000 is now being built to the Central Mint. It will house eight additional stamping machines, which are expected to arrive from the U. S. this summer. This additional equipment will enable the Mint to produce 1,000,000 coins of various denominations daily. At the present time, with its 16 stamping machines, the mint is operating at capacity speed in order to fulfill rush orders from all parts of the country. During the past several months, with one-cent copper coins especially in demand, the plant has been operating on both night and day shifts.

Shanghai Banks Will Advance Huge Rural Credits

Shanghai banks will advance rural credits to the total amount of $50,000,000 this year, according to financial circles.

The Farmers Bank of China has issued special loans totaling around $30,000,000 to the farmers and is continuing to push the agricultural rehabilitation program, according to Hsu Chi-chuang, general-manager of the bank.

Kansu Finance Director Arrives to Arrange a Loan

Chen Tuan, director of the Finance Department of the Kansu Provincial Government, arrived in Shanghai by plane last week to arrange with the Central Bank and the Farmers Bank for a loan to Kansu province.

Provincial Finances

The Honan provincial treasury is confronted with a deficit of $1,224,678.83, according to an official report submitted by Ho Hao-jo, Provincial Commissioner of Finance, to the Provincial Government Mar. 26.

To facilitate the circulation of capital in Shansi, the Taiyuan Pacification Headquarters is planning to conclude a loan of $5,000,000 with the Taiyuan branches of the Bank of China, the Bank of Communications and the Farmers Bank of China.

Fukien to Issue Short-Term Treasury Notes for $900,000

On the recommendation of Dr. H. H. Kung, Minister of Finance, the Executive Yuan, Mar. 23 approved the petition of the Fukien Provincial Government for the issue of the 26th year (1938) Fukien Provincial Short-term Treasury Notes.

Unfavorable Trade Balance of Fukien $22 Million Less Than Previous Year

Registering a total import of $60,021,068 against a total export of $37,238,395 Fukien's trade for the year of 1936 resulted in an unfavorable balance of $22,782.672. It showed an improvement over the previous year, the total unfaverable balance being about $22 million less than that for 1935, according to statistics of the two years.

South China Bank to Be Established with Capitalization of $10,000,000

Important figures in Hongkong and Canton financial circles are planning the establishment of a Chinese Merchant Commercial Bank with a capital of $10,000,000. Its main business will be the investment of capital in new construction enterprises.

Banking Syndicate to Be Organized in Szechuen

Plans are under way for the formation of a $5,000,000 banking syndicate whose function will be the development of mining projects in Szechuen province. Liu Huang-sen, director of the Finance Department of the Szechuen Provincial Government, conferred with financiers in Chungking last week regarding the organization of the syndicate.

Legislative Yuan Approves U.S.$2,000,000 Bond Issue

The Legislative Yuan Mar. 26 approved the regulations governing issuance of the Kwangtung Conservancy Bonds amounting to U.S.$2,000,000. The bonds, to be issued on April 1, 1937, will be completely redeemed in 16 years.

Income Tax Collections Begin in Peiping and Tientsin

Instructions have been issued to the provincial government of Hopei and Chahar and the municipalities of Peiping and Tientsin to commence the collection of income tax from April 1. The collection of income tax is in accordance with Nanking's new law which went into effect in the rest of the country on Jan. 1. Yang Tien-shou, director of the Hopei Provincial Bank, will be in charge of the collections in the north. Six graduates of the training class of the Central Income Tax Bureau have been despatched by the Ministry of Finance to Tientsin to assist Mr. Yang.

Extensive Gold Deposits Found in Kiangsi and Near Sikong Border

Extensive gold deposits are reported to have been discovered in Kanchow, southern Kiangsi. Engineers will be despatched by the Kiangsi Provincial Government to survey the mine.

Rich gold deposits have also been found in the Chinghua district, on the Szechwan-Sikong border. Discovery of the yellow metal was made accidentally by a farmer who stumbled upon a nugget as large as an egg.

Japanese Agree to Hand Over Silver Stocks to Chinese Banks

An agreement providing for the transfer of $9,000,000 in silver held by Japanese banks in Shanghai to Chinese vaults was reached Mar. 30. In a statement Keiichi Yabuki, manager of the local branch of the Yokohama Specie Bank, gave credit for the accord to Kenji Kodama, head of the Japanese economic Mission to China, and Hsi Te-mou, general manager of the Banking Department of the Central Bank of China.

Although the exact terms on which the Japanese banks here agreed to transfer their holdings of silver to the Chinese banks were not disclosed, the statement said they were similar to the conditions on which other foreign banks in Shanghai surrendered their stocks early last year.

Hsi Te-mou, in an interview stated that it is gratifying that an arrangement been made to take over the silver stocks in Shanghai at once on the same terms as agreed to with other foreign banks.

Sino-American Radio-Telephone Agreement Submitted to C. P. C.

The draft Agreement relating to the operation of the Sino-American radio-telephone service—submitted by General Yu Fei-peng, Minister of Communications—was approved by the Executive Yuan Mar. 23. The Agreement in question has in the meantime been submitted to the Central Political Committee for official record.

This agreement has been under consideration between the A. T. & T. Co. and the Chinese Government for several years. So far no definite date has been set for the service to be started, apparently due to technical reasons. Various tests of the service have been made and *The Review* is informed that the American company is of the opinion that in order to give efficient service to the public apparatus of an improved type ought to be installed. However, tests made at various time show that during certain hours of the day the present equipment provides extremely efficient service.

"China Can Supplant American Cotton in Five Year Period"

Tokichi Shoji, President of the Toyo Cotton Spinning Company, who was a member of the recent Kodama Economic Mission to China, who in addition to the Yen 70,975,000 Toyo concern, heads the Yen 10,000,000 Yu Fong mill in Shanghai and the powerful Dai Nippon Cotton Textile Association, in a recent statement disclosed the nature of conversations held between the Chinese and Japanese spinners on Mar. 19 and 21.

At these meetings, he said, the Chinese industrialists asked for Japan's assistance in increasing China's output of raw cotton and in improving its quality and also expressed hope that cotton trade might become the vehicle through which Sino-Japanese relations could be improved. China, the local spinners told the visitors, has spared no effort in increasing her production of raw cotton, which in 1936 reached 14,000,000 piculs, a gain of 6,000,000 piculs from the preceding year. The Chinese spinners were also quoted by Mr. Shoji as saying that by 1942 China will not only supply the requirements of its cotton textile industry, but would also be able to export annually 10,000,000 piculs to Japan. China, they were further represented by Mr. Shoji as saying, hopes to win at least a half of Japan's Yen 900,000,000 annual purchases of raw cotton from the United States and British India.

Domei states that an understanding was reached between Chinese and Japanese cotton industrialists during the recent visit to Shanghai and Nanking of the Japanese Economic Mission, that China would supply Japanese mills with 10,000,000 piculs of raw cotton annually, after satisfying her home demand, at the end of a five-year plan for intensive cotton cultivation.

With 10 new cotton mills under construction or projected, in addition to the expansion of four existing plants, Japanese textile interests in Tientsin will soon possess 1,120,000 spindles and 25,900 looms, a survey dated Mar. 30 showed. Four mills in Tientsin now operate a total of 170,000 spindles and 1,000 looms, but this will be increased at the end of the year by 180,000 spindles and 12,400 looms. Ten plants now under construction or still in the blue print stage will house 700,000 spindles and 12,500 looms.

Remittances for Cotton Mill Plant Construction Not Permitted by Japanese Finance Minister

The *Tokyo Nichi-Nichi* Mar. 19 stated that despite the fact that the Japanese Government is encouraging investments in North China from the standpoint of the State policy in favor of Sino-Japanese economic co-operation, the Finance Ministry has a policy which contradicts the encouragement of North China investments. Especially is this the case with the spinning industry. Japanese spinning companies planning to construct mills in North China in accordance with the State policy are not being permitted by the Finance Ministry to send remittances. The Bank of Chosen (Korea) which directly handles such remittances are unable to do anything in the way of straightening out the situation because of the opposition of the Finance Ministry.

Sino-Japanese Relations to Be Cemented by Cotton Trade

Ending a 13-day stay in Shanghai and Nanking, Kenji Kodama and three members of the Japanese Economic Mission to China which he headed, departed for Tokyo last week on the s.s. *Shanghai Maru*.

Japanese Not Yet Very Successful in Cotton Growing

That the development of cotton growing and cotton industry constitutes a good medium for Sino-Japanese co-operation is the view of Tien-Bsung Sih, a research fellow of the Council of International Affairs, who writes in the latest issue of the *Information Bulletin* on "Japan and the Cotton Industry in North China." Mr. Sih writes that although the Japanese have achieved some success in the manufacturing of cotton notably in the absorption of Chinese cotton mills in Tientsin, they have not been very successful so far in the field of cotton growing. This is largely due to the unsettled conditions in North China and to the natural apprehensions which Chinese farmers entertain towards any Japanese scheme. In reviewing the situation, the writer points out that while there is no reason to oppose expansion of the Japanese cotton industry and cotton growing, the spirit of reciprocity must be observed.

U.S. Cotton Seeds Gaining Popularity in China

American cotton seeds are gaining tremendous popularity in China, according to information gathered by the Ministry of Industry. For this year, it is learned, the Honan Cotton Improvement Association has decided to distribute 1,300,000 catties of improved seeds in the various cotton growing districts, while the Hopei Reconstruction authorities are reported to be planning to enlarge the "improved seeds" areas.

Korean Independence Party Members Active in Shanghai

The *Shanghai Mainichi* Mar. 26 stated that, with the recent activities of the anti-Japanese anarchist terroristic vanguards and the Korean agitators for the independence movement in Korea, the Japanese Consular Police have recently prosecuted four important figures, which are known to have connection with such activities. Such prosecution, the *Mainichi* added, has been drastically enforced by the local Japanese authorities for the complete suppression of the local anarchist movement.

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Japan's Trade with China

The following figures show Japan's trade with China during the twelve months ended December 31, 1935 and 1936.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-Dec. 1935 *Yen*	*Jan.-Dec.* 1936 *Yen*	*Jan.-Dec.* 1935 *Yen*	*Jan.-Dec.* 1936 *Yen*	*Jan.-Dec.* 1935 *Yen*	*Jan.-Dec.* 1936 *Yen*
Manchoukuo	126,046,000	150,859,000	191,005,000	205,567,000	317,051,000	356,426,000
Kwantung Province	300,269,000	347,165,000	25,517,000	33,848,000	325,786,000	381,013,000
China	148,788,000	159,691,000	133,818,000	154,838,000	282,606,000	314,529,000
Hongkong	49,732,000	58,445,000	2,836,000	3,282,000	52,568,000	61,727,000
Total	624,835,000	716,160,000	353,176,000	397,535,000	978,011,000	1,113,695,000

By Months	*Exports* 1935 *Yen*	1936 *Yen*	*Imports* 1935 *Yen*	1936 *Yen*
January	37,733,000	40,834,000	28,932,000	38,829,000
February	44,747,000	50,058,000	28,610,000	37,238,000
March	58,941,000	60,949,000	31,785,000	38,802,000
April	62,289,000	60,536,000	29,345,000	32,479,000
May	65,407,000	60,678,000	28,744,000	32,142,000
June	45,756,000	52,753,000	23,211,000	27,683,000
July	47,197,000	53,547,000	22,904,000	24,933,000
August	45,374,000	62,755,000	20,428,000	21,249,000
September	58,173,000	65,062,000	21,365,000	24,896,000
October	59,579,000	64,979,000	33,137,000	32,188,000
November	52,330,000	68,400,000	38,294,000	37,047,000
December	47,309,000	75,609,000	46,421,000	50,049,000
Total	624,835,000	716,160,000	353,176,000	397,535,000

—British Chamber of Commerce Journal, March, 1937

Value of Total Trade of the United States With China

January to December, 1935 and 1936.

(From U.S. Department of Commerce Statistics)

United States Trade with China, Jan. to Dec. 1935 and 1936

Exports to China	US$	38,156,000	46,819,000	Inc. 22.7%
,, ,, Hong Kong	US$	9,104,000	8,550,000	Dec. 6.1%
,, ,, Kwantung L.T.	US$	4,187,000	3,542,000	D. 15.4%
Total	US$	51,447,000	58,911,000	I. 14.5%
Imports from China	US$	64,164,000	74,340,000	I. 16.0%
,, ,, Hong Kong	US$	8,967,000	8,540,000	D. 4.7%
,, ,, Kwantung L.T.	US$	5,312,000	3,935,000	D. 26.0%
Total	US$	78,443,000	86,815,000	I. 10.7%
Grand Total	US$	129,890,000	145,726,000	I. 12.2%

United States Exports to China, Jan. to Dec. 1935 and 1936

Commodities	*Unit*	*Jan.-Dec. 1935*	*Jan.-Dec. 1936*
Cotton, Raw	Bales	86,000	23,000
Wheat Flour	Barrels	7,000	6,000
Douglas Fir	Feet	140,000,000	114,881,000
Fuel Oil	Barrels	96,000	321,000
Gasoline	,,	204,000	388,000
Kerosene	,,	481,000	359,000
Lubricating Oil	,,	173,000	233,000
Copper	Pounds	2,813,000	5,096,000
Aniline Dyes	,,	8,669,000	6,201,000
Tobacco, Leaf	,,	15,842,000	30,627,000
Newsprint, Paper	,,	21,035,000	1,350,000
Silver, Re-exports & Domestic	Ounces	—	—
Wheat	Bushels	—	—
Automobiles, Passenger	Number	1,212	806
,, Trucks	,,	1,322	1,068
Airplanes	,,	81	114

United States Imports from China, Jan. to Dec. 1935 and 1936

Commodities	*Unit*	*Jan.-Dec. 1935*	*Jan.-Dec. 1936*
Raw Silk	Pounds	3,485,000	2,467,000
Waste Silk	,,	1,747,000	3,725,000
Goat Skins	Pieces	5,560,000	7,584,000
Wood Oil	Pounds	108,338,000	127,827,000
Bristles	,,	3,887,000	4,693,000
Antimony	,,	—	4,235,000
Raw Cotton	,,	—	13,481,000
Sesamum Seeds	,,	138,386,000	109,270,000
Sausage Casings	,,	1,346,000	1,349,000
Silver Bullion & Bas	Ounces	493,000	14,310,000
Carpet Wool	Pounds	—	25,511,000
Tea	,,	—	4,613,000

United States Exports to Hong Kong, Jan. to Dec. 1935 and 1936

Lubricating Oil	Barrels	30,000	22,000
Gasoline	,,	95,000	51,000
Kerosene	,,	449,000	280,000
Fuel Oil	,,	165,000	198,000
Wheat Flour	,,	64,000	32,000
Automobiles, Passenger	Number	140	76
,, Trucks	,,	107	66
Silver, Re-exports	Ounces	—	—
,, Domestic	,,	—	—

United States Imports from Hong Kong, Jan. to Dec. 1935 and 1936

Tin	Pounds	6,802,000	5,567,000
Wood Oil	,,	10,461,000	5,971,000
Silver Bullion & Base	Ounces	3,152,000	—

United States Exports to Kwantung L.T., Jan. to Dec. 1935 and 1936

Mineral Oils	Barrels	686,000	291,000
Wheat Flour	,,	—	500,000
Automobiles, Passenger	Number	216	127
,, Trucks	,,	325	728

United States Imports from Kwantung L.T., Jan. to Dec. 1935 and 1936

Beancake	Pounds	93,343,000	35,633,000
Perilla Oil	,,	30,145,000	35,784,000
Bean Oil	,,	9,061,000	3,627,000

Japanese Fishermen Invade Chinese Waters, Using Formosa as Base

The "invasion" of Japanese fishermen into Chinese waters is being carried out more vigorously this spring than before, according to a report appearing in the *Ta Kung Pao* Mar. 23. Taking Formosa as their base of operations, the report stated, these Japanese fishermen have formed various cooperative societies and enlisted ignorant Chinese fishermen to assist them in their fishing activities. Local Chinese fishing circles have petitioned the government authorities to take appropriate steps to cope with the situation.

S.M.R. Will Build New Strategic Railway Near Soviet Border

Construction of an 800-kilometer railway in the Tungpientao district, close to the Manchukuo-Korean Border, was decided on Mar. 23 by the South Manchuria Railway Company. The region is important both economically, because of its vast untapped iron and lumber resources, and strategically, lying close to the Soviet border. The construction work will be begun in the Spring. A total of Yen 10,000,000 has been appropriated for this year's expenses. The railway is expected to be completed by 1940, at a cost of Yen 80,000,000. Another Yen 1,000,000 was appropriated for the improvement of the Hulutao harbor.

Soviet Bombers Could Bomb Japanese Cities Within Three Hours of Declaration of War?

Assertion that Soviet bombers could raid Tokyo, Osaka and Nagoya within three hours of the declaration of war was made in the Japanese Upper House Mar. 28 in the course of debate on the air defense bill. In view of this menace, said Jinjiro Mizuno, of the Koyukai, the training of the masses to protect themselves against air attacks is insufficient and a further strengthening of the air arms of the Army and Navy is urgently needed.

Stone Thrown Into Japanese Ambassador's Home in Moscow

A stone as large as two fists was thrown into the home of the Japanese Ambassador in Moscow Mar. 28 by an unidentified person. The Soviet police are reported to have arrested a suspect.

The comment made by the spokesman for the Japanese Foreign Office when questioned regarding the incident in Moscow was, "One stone is unlikely to precipitate a war between Japan and the Soviet Union."

Japanese Say Nanking and Moscow Have Completed Important Political Agreement

The *Shanghai Mainichi* Mar. 24 stated that a political agreement of great importance has been concluded between Nanking and Moscow, according to which the Soviet government agrees to abstain from giving any support to Communist activities in China, further, since the question of defense against Communism is China's internal problem, the National Government of China would refrain from making any agreement thereanent with any foreign power. Additional provisions were that the Soviets recognizes Chinese sovereignty in the province of Sinkiang and agrees to place all Soviet interests in that province under the control of the National Government; and in view of the special relationship existing between the republic of Outer Mongolia and Japan, the parties to the agreement approve the temporary maintenance of the status quo in Outer Mongolia. The Soviet Government, however, would issue a declaration recognizing Chinese sovereignty over the territory.

Nanking Officials Say Japanese Rumors of Sino-Soviet Pact "Too Ridiculous to Require Denial"

Responsible government authorities in Nanking Mar. 25 (according to the *Ta Kung Pao*) characterized Japanese rumors of a Sino-Soviet agreement as "too ridiculous to require any denial from the Chinese Government."

Foreign Office circles in Tokyo Mar. 25 professed complete ignorance of the reported conclusion of an accord for the readjustment in principle of the relations between China and the Soviet Union.

The *Ta Wan Pao* commented: "We are not sunprised at the reports of Japanese news agencies, which, if materialized, would be beneficial to our country. The only thing which we feel much surprised about was the hysterical attitude of our 'friendly neighbor', who is afraid of a re-union between China and another country, while making no attempt to readjust her own relations with China."

Japan Not Planning Arms Race, Tokyo War and Navy Ministers Declare

Japan is not planning to engage in an armaments race, Gen. Sugiyama, Minister of War, and Vice-Admiral Yonai, Minister of the Navy, declared Mar. 23 in a joint answer to a set of written question submitted on March 1 by Yukio Ozaki, veteran member of the Lower House, popularly known as the "god of parliamentarianism." The naval and military forces, they asserted, would be maintained at a minimun strength commensurate with their responsibility in defending the nation, safeguarding its peaceful development and protecting the unique national structure of Japan.

Harbor at Midway Island to Be Improved at Cost of U. S. $1,041,000

The U.S. House of Representatives Rivers and Harbors Committee Mar. 25 approved eighty projects calling for the expenditure of $22,098,000, including improvements to Welles Harbor, Midway Island, at a cost of $1,041,000.

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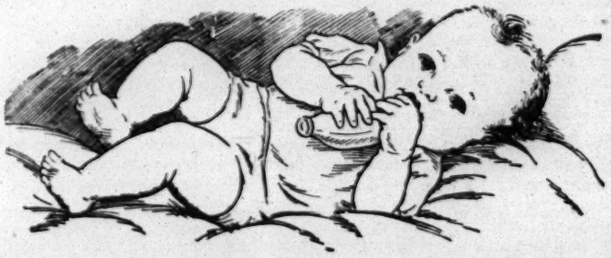

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Shanghai Settlement's Budget for Next Year Is Based on an Increased Tax Rate

The budget for 1937 of the Shanghai Foreign Settlement was submitted to the Finance Committee on Mar. 22. The treasurer and controller reported that the estimated ordinary income, after deducting the deficit of $738,720 carried forward from 1936, amounted to $24,371,080, which was $410,660 less than the comparative figure for 1936. In the total of $24,371,080, provision had been included for reversion to a 16-per cent general municipal rate from July 1, which the treasurer and controller considered to be essential. The increase in revenue to be derived from this source, $1,258,000, was, in itself, insufficient to balance the budget and consequently a further large appropriation from general reserve would be necessary. The anticipated receipts from land tax, general municipal rate, special rate, rent of municipal properties, and wharfage dues were $494,000, $700,000, $95,000, $5,000, and $100,000 respectively higher than the corresponding figures for last year. These increases were partly offset by anticipated lower receipts from license fees $97,200, Revenue from public and municipal undertakings $27,360, Miscellaneous $671,640. The balance was accounted for by the difference between the surplus from 1935 carried into 1936 and the deficit carried forward from the latter year into 1937.

Tax Increase Passed—Chinese Councillors Oppose

At a meeting of the Municipal Council Mar. 24 approving the proposed increase of taxation all five Chinese members of the Council (W. Gockson, Yulim Hsu, S. L. Hsu, Eugene Y. B. Kiang and Yu Ya-ching) voted against the increase. The six voting for the increase were four British councillors. W. J. Keswick, E. B. Macnaghten, G. E. Mitchell and G. Porter, and the two American councillors, C. S. Franklin and A. D. Calhoun. H. E. Arnhold, as chairman, had no vote. The two Japanese councillors, T. Urabe and T. Yamamoto, abstained from voting.

Chinese Citizens' Federation Opposes Increased Tax Rate—Chinese Community Threatens Boycott

The First Special District Citizens' Federation of Shanghai, at a meeting held on the night of Mar. 27 voiced strong opposition to an increase in municipal rates from 14 to 16 per cent. The meeting decided to petition the Council for reconsideration and abolition of the increase which was voted last week and decided to send letters to the Chinese and Foreign ratepayers' associations asking them to veto the Council's decision. The meeting was presided over by Ling Kong-hou, Chairman of the Federation, who is himself a committeeman of the Council.

In a long public letter, the Federation, pointed out that the increased rate was a burden too heavy for ratepayers to bear, as they are still suffering from the aftermath of the 1932 Sino-Japanese hostilities. The financial footing of the Council had usually been sound and for its shaky condition to-day its officials should be held responsible. The maintenance of the orchestra and Russian company of the S.V.C., despite repeated opposition, and the alleged abnormal increase of police expenditure to nearly $10,000,000, were said in the Federation's letter to be other factors that made the Council unable to balance its budget. The recent robbery in the Nanking Road Bank of Communications in broad daylight without any arrest, robberies committed in buses, demolition of huts, barricading of tenants in Yu Yuan Road, and arrest of hawkers and beggars were criticized. It was asserted that the municipal rates in arrears alone would amount to about $2,000,000 and should the Council be able to collect this tax money, budgetary difficulties would be eliminated.

An article in the *China Press* Mar. 30 with triple-column head indicated that the Chinese community may go on strike in protest against the increased taxes.

The Shanghai *Lih Pao* Mar. 30 commented that the Secretary-General of the Shanghai Municipal Council (Stirling Fessenden) receives a salary of $3,750 a month, a little less than five times more than that of a minister in the Nanking Government (ministers receive $800 a month). Heads of the various departments in the S.M.C., with the exception of the head of the education and legal departments, receive a minimum salary of $2,250 a month, with an increase of $400 every three years. Chairmen of provincial governments receive only $680 a month. It was noted that the official in charge of the parks in the Settlement receives $675 a month. The warden of the Settlement Jail on Ward Road receives $800 a month, equivalent to the salary of the president of the Chinese Supreme Court.

Shanghai Settlement Issues Annual Report

The Shanghai Municipal Council has issued its annual report for the year 1936 in a volume of 150 pages. It is issued as Part I of the "Report for the year 1936 and the Budget for the year 1937." The budget itself has not yet made its formal appearance, although this document is always of great interest to the tax-paying public of Shanghai, Foreign and Chinese alike, but particularly so this year, as the Municipal Council has decided to raise the tax rate from 14 per cent of the rentals on houses to 16 per cent, this increase, according to the provisions of the Land Regulations, also carrying with it automatically a proportionate increase in the land tax (which also includes the structures erected thereon.) An indication of the financial situation was given by the Council, however, in a statement issued last week.

The report for the year is the usual prosaic affair covering such matters as building rules, boiler safety, milk supply, ricsha and hand-cart regulation, a discussion of the public utility services, reports by the police commissioner, the health commissioner, the public works department, and the educational committee. As during the past year the press information office was still being maintained, practically all the information contained in the annual report had been covered by the reports issued every few days by the information office.

No Election for Foreign Municipal Councillors This Year—Only Nine Candidates

As was previously intimated would be the case, there will be no election for foreign members of the Shanghai Municipal Council this year, as only nine canidates were put forward to fill the nine seats. The nominations were made strictly on national lines, with the same proportions as had been in vogue for several years past, namely two Americans, five Britons and two Japanese. The Japanese last year made a determined effort to put in three Councillors, but were defeated. The members of the new Council will be :

British :—Messrs. Harold Porter, V. St. J. Killery, F. N. Matthews, W. S. King and R. G. MacDonald.

American :—C. S. Franklin and W. H. Plant.

Japanese :—T. Urabe and T. Yamamoto.

Only one of the above Britons (Harold Porter) and one of the Americans (C. S. Franklin) is a member of the old Council. The indications are that Mr. Franklin will be elected Chairman.

Shanghai Housing Report Pays Tribute to City Government's Model Villages

The Shanghai Municipal Council Housing Committee's report was made public this week. It includes the significant statement that it can not be urged as an excuse for neglect of the need for better housing that such need may not be appreciated by large sections of the population; it was pointed out that cause and effect are inextricably mixed, and it was reasonable to assume that a betterment of material surroundings would conduce to improved habits and to the cultivation of aesthetic appreciations. The model villages which have been built by the Shanghai City Government to replace former mud and straw huts and provide healthy and clean living quarters were highly praised. In regard to the so-called "straw huts" it is stated that these were originally erected by refugees which had arrived in the Settlement in periods of danger; in the meantime they have become the homes of various classes of workers. A survey last year showed a total of 5,094 such huts, with 25,345 occupants. Unauthorized additions to Chinese houses are attributed to a considerable extent to the standardization of the Chinese dwelling-house as a two-story building, which had come about in part from the Building Rule definition of a "Chinese building" as a "building not more than two stories high," etc. Efforts are being concentrated by the Public Works Department to encourage new types of dwellings for Chinese, with a view to displacing the prevalent two-story type. A recommendation is made that no future conversions of domestic premises to industrial uses be allowed without a permit, the conditions of which should ensure the safety and health of workers.

Japanese Residents' Corporation in Shanghai Holds Stormy Session

A stormy six-hour session of the new Council of the Japanese Residents' Corporation in Shanghai Mar. 23 resulted in the announcement that Masusaburo Amano, "Mayor" of Shanghai's "Little Tokyo," would forego the $3,500 bonus that was to be given to him at the end of this year. Before the session was closed at 1 o'clock in the morning, six members of the Council walked out, in protest against the allegedly "high-handed" method of stopping the discussion of the bonus question. The disgruntled councillors included five members of the Chawa Kai, a political organization representing the long-established local Japanese residents, and an independent.

The session, the new councillors' first, was opened at the Central Misddle School, Range Road, at 7 o'clock on Tuesday evening, with more than 200 curious residents crowding every corner of the gallery.

Japanese Resident's Corporation Budget Approved After a Week of Squabbling

After a week of acrimonious debates, the new Council of the Japanese Residents' Corporation in Shanghai Mar. 27 unanimously approved a budget of $769,767 for the 1937-38 fiscal year. Also approved was an appropriation of $57,793 for the clinic operated by the Corporation.

Of ten motions submitted to the Council in the last four days of last week, five were approved, three rejected and two withdrawn by their sponsors.

Kwantung Army Belatedly Announces Arrests in Manchukuo Plot

The arrest of "more than 310" high Manchukuo Government officials, educators, leading businessmen and students, accused of plotting to overthrow the existing administration, was noted in a belated comminique issued by the headquarters of the Kwantung Army Gendarmerie in Hsinking Mar. 29. Of the arrested men, the comminquie said, 195 were tried by a court martial in Mukden, 54 others were released because of insufficient evidence, and nine men died in prison "being opium smokers." The fate of the remaining men was not divulged.

The issuance of the communique was accompanied by the lifting of a strict ban on the news of the arrests, most of which were made in Antung Province, adjoining the Korean border.

No further arrests will be made at this time, the proclamation added, as the situation does not warrant them.

The plot, it was stated, was engineered by members of the so-called "Pao Kuo Hui," or "The Association for the Preservation of Territory," which was "the cat's paws of certain militarists." The plotters, the proclamation asserted, were connected with "Chinese in Nanking and officers of the former North-Eastern Army" and were "scheming against Manchukuo and Japan."

The communique said that the existence of the plot was discovered in August, 1936, with the round-up of a military communist group operating in Huanjen, Antung Province. The Headquarters of the organization, according to the communique, were situated in Peiping, from where the operations in Manchukuo were directed. The secret organ, the communique declared, was formed by Wang Hua-i, former Chairman of the Fengtien Educational Association, and one Chu, former Director of Mongolian Administration in Heilungkiang Province.

Both of these men were, the statement declared, followers of Gen. Chang Hsueh-liang, "who fled to Peiping after the outbreak of the Manchurian Incident." The organ, the communique charged, was headed by Gen. Yen Li-ching, a Shansi Army commander, assisted by Mei Fo-kuang, Principal of the Chungshan Middle School in Peiping. The membership of the organization included students from the north-eastern provinces. The Association had branches in Antung, Huanjen, Fengcheng, Kuangtien, Chuangho and Hsinyen.

Volunteers in Manchuria Fight 528 Battles with Japanese in Five Months

Activities of Chinese volunteers in Manchuria have been increased in recent months, following a recent re-organization of the units, a Mukden message in the *Shun Pao* Mar. 23 stated. In Northern Manchuria, a total of 528 battles was fought within a period of five months by the Chinese volunteers with Japanese regulars. The number of volunteers engaged in the battles totalled more than 30,000 men. The number of volunteers injured and killed during the battles is estimated at more than 1,000, while the Japanese soldiers sustained a loss of 1,400 officers and men.

Three Japanese were shot to death by a group of bandits numbering 300, a *Asahi* special dispatch from Harbin Mar. 21 stated. A Japanese punitive force was sent in pursuit of the bandits. The attack took place at Sankiang. The three Japanese who were killed were immigrants.

Further Details of "Bandit" Raid on Sanshing

The Harbin correspondent of the *North China Daily News* writing on Mar. 20 gave additional details of the raid by "bandits" on Sanshing recently.

It is almost certain that the governing authorities never anticipated such an attack as was made recently on said flourishing commercial town, situated just below the rapids of that name on the Sungari river, and where there is a Japanese garrison, which consists of never less than 500 men. The anti-Japanese elements, 400 strong, laid their plans carefully and descended so suddenly on the town, that they caught the troops and the police quite unawares. Japanese residents, of whom there are a number, rushed in panic to the barracks, but not before some were captured, to be carried off for ransom money.

Street fighting with the police started right away, one Japanese police superintendent being killed, while the total number of police killed and wounded is not known. The attackers having secured a strong footing, barricaded the streets and commenced looting the Japanese stores, as well as setting fire to the houses. By the time the troops reached the scene, machine guns had been placed in good positions, making it very difficult for the soldiers to get within striking distance of the enemy. The attackers were exceedingly well-armed and fought fiercely, and it is therefore not surprising that the engagement continued for nearly ten hours, before the regular troops were successful in forcing the powerful gang to evacuate.

"Manchukuo" Troops Transferred to Dolonor

The "Manchukuo" troops commanded by Li Shou-hsin, who were transferred to Jehol, have returned to Dolonor. It is reported that these "Manchukuo" troops will be sent to Kongpao and Paochang in North Chahar again.

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SHANGHAI

Summary of Events in February 1937

COMPILED BY THE EDITORIAL STAFF OF "THE CHINA WEEKLY REVIEW"

1.—Dr. W.W. Yen, former Amabassador to U.S.S.R., returned to Tientsin from visit to Nanking and denied rumors that he would be appointed Minister of Foreign Affairs.

2.—General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, arrived at Hangchow from his native city, Fenghua.

2.—Rebel troops under Generals Yang Hu-cheng and Chang Hsueh-liang withdrew from the north of the Wei River in Shensi, but they insisted on their demand that Chang Hsueh-liang be released and permitted to return to Shensi.

2.—Fresh disturbances broke out in Sian with radicals dominating the city.

3.—The second Sian uprising occured, as a result of which General Wang Yi-chieh, one of the leading commanders of the Chang Hsueh-liang army, was killed because he refused to sign orders cancelling previous orders for the withdrawal of troops. The outbreak was, however, summarily suppressed by Generals Yang Hu-cheng and Yu Hsueh-chung.

3.—Central Political Council granted General Chiang Kai-shek a further leave of two weeks.

4.—Vanguards of the Central Government Army arrived at Weinan (south of the Wei River). Radical elements of the Chang Hsueh-liang army fled from Sian.

4.—General Chiang Kai-shek received Dr. Chu Chia-hua and Chen Kuo-fu, Chairman of Chekiang and of Kiangsu respectively.

5.—Central Government troops pushed toward Lintung, near Sian where order had been restored.

5.—The Manager of the Tangshan Branch of the Bank of China seized and carried off by the Japanese gendarmes and was alleged to have been badly beaten.

5.—General Tashiro, Commander of the Japanese North China Garrison, summoned conference at Tientsin of the resident Japanese military offices stationed in Kalgan, Taiyuan and Tsinan.

6.—Central Government troops advanced near Sian. Generals Shen Ke and Tan Chih-hsin wired National Government, pledging loyalty.

6.—General Ma Chan-shan, famed defender of Heilungkiang in the winter of 1931, who was also detained by the rebels at Sian, passed through Chengchow, Honan, to Paoting.

6.—Seven Japanese warships arrived at Shanghai.

7.—Communication on the Lung-Hai Railway was completely restored with the settlement of the Shensi situation.

7.—Japanese Ambassador S. Kawagoe arrived at Nanking from Shanghai.

8.—Central Government troops entered Sian.

9.—General Ku Chu-tung, Director of the Generalissimo's Headquarters at Sian, arrived at the city.

9.—General Chiang Kai-shek arrived at Shanghai from Hangchow by air.

9.—Ambassador Kawagoe called on Foreign Minister Chang Chun.

9.—Chinese tram workers in the International Settlement in Shanghai declared general strike.

10.—Troops of General Yang Hu-cheng concentrated at Sanyuan. Central Government troops took over garrison of Sian.

10.—Central Political Council decided to create $200,000 scholarship fund in honor of the 70th birthday of Chairman Lin Sen of the National Government.

11.—Chairman Lin Sen's 70th birthday celebrated throughout the country.

12.—General Liu Shih and General Shang Cheng of Honan and General Ho Chien of Hunan arrived at Nanking.

13.—General Sung Hsi-lien appointed Garrison Commander of Sian.

14.—General Chiang Kai-shek flew from Shanghai to Nanking.

14.—General Ho Chu-kuo, a commander of the Chang Hsueh-liang army, arrived at Nanking from Shensi.

15.—The Third Plenary Session of the Central Executive Committee of Kuomintang opened at Nanking.

15.—General Ho Chu-kuo interviewed Generals Chiang Kai-shek and Ho Ying-ching and reported on the details of settlement of the Sian affair.

15.—Ambassador Kawagoe called for first time on Wang Ching-wei, Chairman of the Central Political Council, at Nanking.

16.—First general meeting of the 3rd Plenary Session of the C.E.C. held.

16.—General Ho Chu-kuo arrived at Hangchow from Nanking by air.

17.—Second general meeting of the 3rd Plenary Session of the C.E.C. held. War Minister Ho Ying-ching and Foreign Minister Chang Chun reported respectively on military and foreign affairs of the country.

17.—National Government issued mandate restoring to Chang Hsueh-liang his full civil rights which had been deprived by the Special Military Tribunal of the Military Affairs Commission last December.

17.—General Chu Pei-teh, Office-in-Charge of the Military Affairs Commission, died of blood poisoning in Nanking.

17.—General Ho Chu-kuo interviewed Chang Hsueh-liang at Fenghua.

17.—Third general meeting of the 3rd Plenary Session of the C.E.C. held.

18.—General Ho Chu-kuo returned to Nanking from Fenghua.

18.—Japanese military authorities in North China purchased land at Fengtai for the purpose of building barracks for their troops there.

19.—Fourth general meeting of the 3rd Plenary Session of the C.E.C. held, at which General Chiang Kai-shek reported on the Sian mutiny and tendered resignation from his posts. The Session unanimously decided to persuade him to withdraw his resignation and remain in office.

19.—General and Madame Chiang broadcast speeches on the New Life Movement.

19.—General Ho Chu-kuo flew to Sian from Nanking.

20.—Fifth general meeting of the 3rd Plenary Session of the C.E.C. decided to convoke the National People's Congress on November 12.

20.—Italians in Shanghai attacked and wrecked the Isis Theatre for showing the picture "Abyssinia."

21.—Sixth general meeting of the 3rd Plenary Session of C.E.C. passed resolutions on the reconciliation with the Chinese communists on four conditions. The system of chairmanship of the Standing Committee of the C.E.C. was abolished. Shao Li-tzu, former Chairman of Shensi, was appointed Director of the Publicity Department of the Central Party Headquarters.

21.—Japanese and Korean ronins in Tientsin raided the Customs storehouse.

22.—The 3rd Plenary Session of the C.E.C. closed.

22.—General Chiang Kai-shek issued statement on freedom of speech and liberation of political prisoners.

23.—General Wang Shu-chang and Mo Te-hui, northeastern leaders, arrived at Hangchow en route to Fenghua to see Chang Hsueh-liang.

23.—City Government of Greater Shanghai protested to Italian Embassy against the raid on the Isis Theatre.

23.—Executive Yuan decided to reorganise Shensi Provincial Government, and to appoint Generals Li Tsung-jen and Pai Chung-hsi Commander-in-Chief and Vice-Commander-in-Chief of the 5th Route Army.

23.—Tientsin Customs protested to the Japanese Consulate there against the raiding of its storehouse by Japanese and Korean ronins.

24.—Liu Lu-yin, C.E.C. member and former Director of the Publicity Department of the Central Party Headquarters, arrested in Shanghai on charge of being involved in murder of General Yang Yung-tai, former Chairman of Hupeh, last year.

25.—General Sun Wei-ju, new Chairman of Shensi Provincial Government, arrived at Nanking to report on conditions in Shensi.

25.—Foreign Minister Chang Chun tendered resignation.

25.—Tientsin Customs held conference on measures to cope with smuggling.

25.—General Chin Teh-shun, Mayor of Peiping, interviewed General Chiang Kai-shek and reported on conditions in North China.

25.—National Highways Conference opened at Changsha, Hunan.

26.—General Chiang Ting-wen, Pacification Commissioner for Fukien, returned to Nanking from visit to Chang Hsueh-liang in Fenghua.

26.—Resignation of Wang Yun-seng from his post as Counsellor of the Chinese Embassy in Tokyo accepted.

26.—Communication on Sian-Lanchow Highway restored.

27.—Chang Chung, member of C.E.C., arrived in Sian reportedly for the purpose of conducting negotiations with the Communists in Shensi.

28.—Chao Tien-lung, principal Chinese culprit involved in the Chengchow affair, was executed at Chengchow.

U.S. Supreme Court Endorses Three New Deal Measures

President Roosevelt's New Deal policies scored an overwhelming victory as the result of three decisions by the U.S. Supreme Court Mar. 30. Chief Justice Hughes who wrote the opinion endorsing the legality of the Washington state law setting minimum wages for women workers commented that wide changes in economic conditions had occurred which necessitated a reweighing of questions involved in labor legislation. This was a five to four decision. Notable was the fact that Justice Roberts switched over to the liberal side as compared with previous decisions. The Frazier-Lemke Farm Mortgage Moratorium Act was endorsed unanimously. The Court also unanimously upheld the validity of the Railway Labor Act of 1934.

Proposed Senate Resolution to Provide for Advisory Opinions from U. S. Supreme Court

Senator Lewis B. Schwellenbach Democrat from Washington, introduced a resolution in Congress Mar. 28 requesting the U. S. Supreme Court to adopt a rule whereby it could provide Congress with advisory opinions on projected legislation. The Washington Senator said a recent letter of Chief Justice Hughes to Senator Burton K. Wheeler expressed "a clearly advisory opinion regarding a matter which never had been formally presented in Congress."

Proposed Thomas Bill Aims at Giving Power to Federal Reserve Board to Control Dollar

Senator Elmer Thomas, Democrat from Oklahoma and leader of the Senate inflation bloc, Mar. 25 introduced a bill to authorize the Federal Reserve Board to stabilize and regulate the value of the American dollar. The formula to determine the proper value of the dollar, under the terms of the Thomas bill, would make the Federal Reserve Board a Government agency with power to regulate the nation's monetary unit.

Motor Workers' Leader Challenges Henry Ford

A challenge to Henry Ford, the motor magnate, was hurled in New York, March 23, by Homer Martin President of the United Automobile Workers' Union of America, addressing a mass meeting attended by 100,000 automobile operatives. "Henry Ford might as well get ready to do business with his organized workers," shouted Mr. Martin.

A. F. O. Head Declares "Sit Down" Strikes Illegal

William Green, President of the American Federation of Labor, Mar. 28 declared that the Federation had never approved or supported "sit down" strikes. "I publicly warn labor against this illegal procedure," Mr. Green declared.

Huge Purchases of U.S. Scrap Iron by Japanese

In noting that Japan imported 1,700,000 metric tons and 1,500,000 metric tons of scrap iron, respectively, in 1934 and 1935, filling more than half of the domestic demand with foreign supplies, most of it from the United States, a recent New York message to the *Tokyo Asahi* intimated that the U.S. Government may take steps to place restrictions on scrap iron export.

German Protestants and Catholics Criticize Nazi Regime

The Nazi government was criticized by both Protestant pastors and Roman Catholic priests in Germany in Easter sermons.

For the first time since the dispute began over the Concordat an appeal was made to the Catholic faithful for open opposition to the Nazis. The appeal was read in the Berlin Cathedral by the Bishop, Count Preysing, in which he bluntly charged the Nazis with having violated the Concordat. He appealed to parents to send protests to the authorities against alleged Nazi efforts to destroy the Catholic schools.

Gaimusho Denies Reports of Accord with Italy

Foreign press reports alleging that a political accord had been concluded between Italy and Japan were denied in Tokyo Mar. 24 by a spokesman of the Foreign Office. The Gaimusho official admitted that trade negotiations are in progress between the two countries, but insisted that there have been no conversations of a political nature.

Reciprocal Trade Agreement Between Japan and Cuba Declared Hopeless

The *Tokyo Nichi-Nichi* Mar. 17 stated that conclusion of a trade agreement based on a reciprocal principle between Japan and Cuba is regarded virtually as hopeless in view of the results of negotiations so far held by the Japanese and Cuban representatives. In 1934, Cuba was the best customer of Japan in the Central and South Americas, Japan's exports to the Cuban market that year totalling Yen 10,000,000. Due to the imposition of a prohibitive high import tariff on Japanese articles in the fall of 1936, Japan's exports to Cuba sharply receded, declining to Yen 1,500,000 in 1936.

In the United States Court for China

In the mattet of the change of name of ANNA SCHWAGER GOLDBERG	Cause No. 4183 Special Proceedings No. 2062 NOTICE Filed at Shanghai, China March 16, 1937. WILLIAM T. COLLINS, Clerk.

NOTICE

Notice is hereby given that Anna Schwager Goldberg, an American citizen residing in China, has filed her petition in this Court praying for authority to change her name to Ann Summers.

Any person interested may, on or before April 3rd., 1937, offer and show to said Court why the said petition should not be granted.

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Chinese Merchants Petition Against Reduction of Import Duties for Sugar

That China should firmly reject any proposals that may be brought up during the World Sugar Conference for a reduction of duties on sugar imported into China was the theme of a petition filed with the Ministry of Industry by the Native Sugar Production and Distribution Association, Mar. 23. The Association further requested the Ministry to issue similar instructions to the Chinese delegate attending the Conference, which will open in London on April 5.

Szechwan to Build $2,500,000 Sugar Refinery

Despite financial stringency and famine in the province, the Szechwan Provincial Government has planned to establish a $2,500,000 sugar and alcohol refinery within the next two months at Neikiang, midway between Chengtu and Chungking, it was announced in Nanking, Mar. 27. The projected factory, is expected to produce from 600 to 800 tons of refined sugar and a considerable amount of alcohol daily.

Kiangsi Plans Flax Weaving Plant with Capital of $10,000,000

Construction of a flax weaving factory, capitalized at $10,000,000, is being planned by Kung Pai-shen, director of the Construction Department of the Kiangsi Provincial Government, it was announced in Shanghai March 26.

Artificial Silk Plant to Be Built in Wusih

Plans have been completed for the building of an artificial silk plant in Wusih by the Ministry of Industry. It is reported that it will have a capital of $4,000,000.

Two Big Bridges at Loyang to Be Opened in May

The two new concrete bridges spanning the river at Loyang, one of which is named after Lin Sen, Chairman of the National Government and the other after Gen. Chiang Kai-shek, President of the Executive Yuan, will be completed at the end of April and will be formally opened in May.

Cornerstone Laid for Nanchang Hydraulic Power Plant

The cornerstone for the projected hydraulic power plant and waterworks in Nanchang was laid at an impressive ceremony officiated at by Gen. Hsiung Shih-hui, Chairman of the Kiangsi provincial government, in Nanchang, Mar. 17. Construction work on the plant, which is financed by a loan of $2,400,000 from the China Finance Development Corporation, was started Feb. 1 last year and is expected to be completed by the end of September this year. The contract is in the hands of the Jardine Engineering Corporation, one of the oldest British concerns in China.

Woollen Factory to Be Established in Chinghai

The establishment of a woollen factory in Chinghai Province to boost China's woollen industry is being planned by Nanking industrial circles.

Kwangtung Salt Merchants on Strike Against High Taxes

Salt merchants in Kwangtung province have been on strike since Mar. 17 in protest against heavy taxes on salt levied by the Salt Administration of Kwangtung and Kwangsi provinces.

China Motor Company to Establish Factory in Chuchow

The China Motor Company has decided to build a factory for the manufacture of motor cars in Chuchow, Hunan. Chu Ching-hwei, engineer of the company, proceeded from Changshow to Chuchow this week to make preparations for the building of the new plant.

Much Progress Made in Kwangtung During Last 8 Months, Says Dr. Philip Tyau

Much progress has been made in Kwangtung province during the last eight months following the settlement of the Liang-Kwang imbroglio, according to Dr. Philip Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, who arrived in Shanghai this week en route to Nanking to make a report to Dr. Wang Chung-hui, the Foreign Minister.

Declaring that conditions in Canton and in the whole province have rapidly improved since the new regime took control, Dr. Tyau revealed that the people in general are much happier. The financial situation, free from the political instability existing during the former aeministration, has become more stable, there are less exorbitant taxes and the business people as a whole feel more secure.

Industrial Safety Exhibitions to Be Held in Various Industrial Centers This Month

The Ministry of Industry, beginning from April 1, will start a series of industrial safety and hygiene exhibitions in all industrial centers in China. The first one will be held for one week at Wusih, China's silk-producing center, where industrial hygiene work was first initiated in 1930 under the auspices of the former Ministry of Health.

Canton-Hankow Radio-Telephone Service Formally Opened

Radio-telephone service between Canton and Hankow was formally inaugurated at 9 a.m. Mar. 20. Greetings were exchanged between Tsen Hsueh-lu, Chief Secretary of the Kwangtung Provincial Government, and General Huang Shao-hsiung, Chairman of the Hupeh Provincial Government. The long-distance telephone service connecting Tungwan—in southern Shensi on the Honan border—with Sian was opened at the same time.

Nanking Government to Take Steps to Prevent Foreign Goods Being Passed Off as Chinese

Drastic action is being considered by the Nanking authorities to prevent foreign goods from being passed off as native products. This is prompted by the petition of the National Federation of Native Manufacturers to the Ministry of Indutry, requesting that the various Chambers of Commerce and other native goods organizations be instructed to adopt stern measures against this obnoxious practice.

Ministry to Establish Travel Bureau to Cater to Tourists Visiting China

The Foreign Trade Bureau of the Ministry of Industry has launched a movement for the organization of a travel bureau in order to attract more tourists to China. A circular letter has been addressed to a group of prominent residents, including General Wu Te-chen, the Mayor, Yu Ya-ching, Wang Hsiao-lai, and Singloh Hsu, asking them to be promoters.

China's Foreign Trade Discussed in House of Commons

The question of trade with China was brought up in the House of Commons Mar. 23. A Conservative member asked whether any recent communication had passed with Japan with the object of securing, subject to China's sovereign rights, a free field for all Powers wishing to trade with China. The question was answered in the negative by Anthony Eden, Secretary of State for Foreign Affairs. The British Government was, however, satisfied that the Japanese Government was fully aware of its views, Mr. Eden added.

China to Build Five Additional Railway Workshops

In addition to the Central Railway Workshop to be built in Nanking, it is reported by the *Sin Wen Pao* that five branch railway workshops will be built in Shanghai, Woosung, Pukow, Chuchow, and Hsishutseng.

Ministry of Railways to Build Hunan-Kwangsi Railway

With the completion of the Whampoa branch line of the Canton-Hankow Railway by the end of May, the Ministry of Railways will start the building of the long-projected Hunan-Kwangsi Railway to connect Hengyang and Kweilin.

Canton-Whampoa Railway Line Nears Completion

Work on the Canton-Whampoa branch of the Canton- Hankow Railway will be completed at the end of May, according to Ling Hung-hsun, Managing-Director of the Railway.

Gen. Yen Hsi-shan to Build New Railway in North-west

To develop communications in the North-west, General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, has decided to construct another railway starting from Shohchow, a station on the Tatung-Puchow Railway, northwards to link up with the Peiping-Suiyuan Railway at Kweihua, provincial capital of Suiyuan. A loan will be contracted with banking circles in Taiyuan for the building of the projected line. This is to be secured on the assets of the Tatung-Puchow Railway which crosses Shansi province from north to south.

$1,000,000 Contract for Building Yellow River Bridge Concluded

A contract was drawn up in Hsuchow Mar. 27, between the Ministry of Railways and the Voh Kee Construction Company, Shanghai, for the building of a railway bridge to span the Yellow River at Fenglingtu and Tungkwan and to link the Lunghai and the Tatung-Puchow (Shansi) railway lines. Entailing an outlay of over $1,000,000, the projected bridge will be practically similar to the Huangho bridge of the Peiping-Hankow Railway. Orders have been placed for bridge material from abroad and the construction work will be completed by October 10 this year.

Canton-Hankow Railway Inaugurates Additional Express Service

As the result of new passenger cars having arrived from England, two daily express trains, starting from Canton and Wuchang respectively, were put into operation on the Canton-Hankow Railway on April 1.

Sino-Soviet Cultural Association Holds Meeting in Nanking

The bombardment and slaughter of the Spanish Government troops and people in and around Madrid by rebels were bitterly denounced at the first anniversary meeting of the Sino-Soviet Cultural Association held in Nanking Mar. 26. Sun Fo, President of the Legislative Yuan, who presided over the meeting, was re-elected as chairman of the Association. The meeting among other things decided to give assistance to Chinese who desire to study or to travel in Russia.

Who's Who in China

丁紀徐
Ding Ki-tsu (Ting Chi-hsu)

Ding Ki-tsu, air officer; born at Canton, Kwangtung, October 26, 1903; was graduated from Deutscher Aero-Lloy Flying School, Starken, Germany, and the Soviet 2nd Military Aviation School, Russia; following his return to China, he has successively served as Element Flight Leader, Canton Air Force, Canton; Squadron Commander, Canton; Chief Flight Instructor, Canton; at present, Dean of the Central Aviation School, Hangchow and concurrently Group Commander, Central Air Force, Nanking; present address: 5th Group, Air Force, Nanchang, Kiangsi.

丁紀徐，廣東東莞人，年卅四歲，畢業于德國思德琼航空學校及俄國航空第二軍校，曾任廣東空軍分隊長，中隊長，航空學校飛行主任，現任中央航空學校教育長兼第五大隊隊長，通信處：南昌空軍第五大隊部。永久通信處：廣州德政路德政府街二二號二樓。

Dr. Ling Ping Says Japanese Influence in Siam Is Negligible

Japanese influence in Siam is negligible and press reports to the contrary are exaggerated, declared Dr. Ling Ping, member of the Treaty Commission of the Waichiaopu and head of the Good-will Mission to Siam last year, in a speech at the Nanking Y's Men's Club at noon Mar. 20. Of many foreign advisors in the Siamese Government, Dr. Ling said, there is one Japanese who holds a comparatively low rank. Only 500 Japanese reside in Siam and they are mostly engaged in the import and export business.

Dr. Ling expressed the belief that formal diplomatic relations between Siam and China will be established soon. China and Siam, he said, are closely related racially and economically. Of the 12,000,000 Siamese population only 3,000,000 are pure Siamese stock, 3,000,000 pure Chinese stock, while the rest are mixed. Ninety per cent of the officials in the Siamese Central Government are of Chinese descent.

Siamese Navy Places Order with Japanese Firm for Six Seaplanes

The Siamese Navy authorities on Mar. 19 signed a contract with the Watanabe Airplane Works of Fukuoka, Kyushu, for an order for six naval planes (chiefly sea scouting planes). This is the first time the Siamese Navy has placed an airplane order with Japan.

Chinese Reporters in Shanghai Will Found Association

With the announced objective of cementing closer relationships between staff members of the various papers and of improving ways of gathering news by mutual discussions, a Chinese Reporters' Fellowship Association is in the process of formation in Shanghai. The first meeting of the sponsors of the Association was held Mar. 29 at the Kuan Sheng Yuan Restaurant, with Wu Tung of the *Central News* Agency in the chair.

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Men and Events

The Nanking American University Club is holding its annual meeting and dinner dance on April 2 at the International Club.

W. S. Leonard, representative of American manufacturers, stationed in Shanghai, departed last week on a business trip to South China and the Philippines.

Miss Betty Compton, film actress, who a few years ago visited the Far East, obtained a decree of divorce from husband, Irving Weimberg in Los Angeles Mar. 25.

Julean Arnold, American Commercial Attache, is due back in Shanghai April 12, after an extended visit to Kwangtung Province, including Hainan Island, where he investigated economic possibilities.

Dr. James K. Shen, acting superintendent of the Central Hospital in Nanking, was appointed superintendent to succeed Dr. J. Heng Liu, who recently resigned, by the Board of the Central Hospital, Mar. 23.

The councillors' meeting of the Academia Sinica scheduled for April 4 has been postponed on account of the inability of many members to attend. The meeting will now be held in Shanghai either at the end of April or the beginning of May.

Jack Young, well-known Hawaiian-Chinese explorer, arrived by boat in Shanghai from Hankow Mar. 27, after another of his exploration trips to the Tibetan border. From here he proceeded to Peiping where he joined his wife.

A total of 134 passengers were drowned when the s.s. *Fu Hai* capsized in a typhoon at Huamaotsui, 10 miles from Kunyang in south-eastern Yunnan, Mar. 22. Only two passengers, who clung to the funnel of the vessel, were saved.

The Shanghai Rotary Club has so far collected $23,000 in its drive to build and equip a children's orthopedic ward at Chung Shan Memorial Hospital, the chairman of the charities committee reported recently at a meeting of the directors.

Mrs. E. Robertson Jones, the Honorary President of the American Birth Control League, was the guest of honor at a tea party given by Dr. and Amos Wong at the home of Dr. and Mrs. Y. Y. Tsu on the campus of St. John's University, Mar. 26.

Ten thousand dollars will be the maximum amount of money that may be appropriated by the National Treasury for a state funeral, according to revised regulations governing the holding of state funerals adopted by the Codification Committee of the Legislative Yuan Mar. 29.

The death occurred in Shanghai Mar. 23 at age of 70 of Mrs. Clara Brenneman, who first came to China in 1916 from Philadelphia. She is survived by her husband, John J. Brenneman of the Pacific Merchandise Co. and her son John Brenneman, architect with the firm of Graham and Painter.

Miss Harriet McClosky of Salt Lake City, Utah, who has been in China for several weeks on a buying trip, is planning to return to the United States on April 10. Miss McClosky, who formerly resided in Shanghai, now has a store in Salt Lake City which specializes in Chinese art and novelty merchandise.

Moral note in the *Japan Chronicle*:—The Japanese police attached to the Sannomiya station on Wednesday night severely reprimanded a 40-year old British merchant who was arrested for making love to an 18-year old Japanese department store girl. The couple were sitting under a cherry tree in the park.

Seven persons were killed and 23 badly injured Mar. 27 as a result of a terrific explosion of stored ammunition near Lanchow city. First reports stated that the explosion was caused by the carelessness of the store-keeper. Later it was learned that the outbreak of a fire in a nearby fruit store caused the explosion. A similar explosion took place in the same storage spot 17 months ago.

Music is one of the outstanding features of the second National Art Exhibition which which opened at Nanking April 1 at the new National Art Gallery. Besides the Yenching University Chorus, well trained choirs of the National Central University, University of Nanking, and Ginling College and noted musicians will be invited to give performances.

A cold wave, accompanied by biting winds, snow and sleet from the North, swept over a wide area in Central China, particularly along the Yangtsze Valley, all day Mar. 25 and the succeeding night. Snow and sleet also fell at Hangchow, where the Generalissimo is now visiting, and at Chinkiang, Wusih, Chinkiangpu, Hsuchow, Tsingtao and Nanchang.

The foundation stone of the Metropolitan High Court was formally laid at an impressive ceremony in Nanking, Mar. 25. Over a hundred officials were present, including Wang Yung-pin, Minister of Judicial Administration, Hung Lu-tung, Political Vice-Minister of Judicial Administration, and Wang Chao-peng, President of the Metropolitan Court.

The Black and White Photographic Society is holding an art photo exhibition in the Sun Co. Building in Nanking Road, Shanghai, from April 3 to 12, daily from 9 a.m. to 7 p.m. The Society came into existence eight years ago and has accomplished good work in its chosen field. The present exhibition is a revelation of how the photographic art has been perfected in this country.

Chinese friends last week celebrated the 70th birthday and the 43rd year of residence of a pioneer missionary, the Rev. W. H. Hudson, at Kashing, who was the recipient of scrolls, banners and tablets. Rev. Hudson is a member of the American Presbyterian Mission South.

Dr. J. Heng Liu, Director of the National Health Administration, last week proceeded to Peiping where he attended the annual meeting of the Board of Trustees of the P&U.M.C. (Mar. 27). C. R. Bennett, formerly manager of the National City Bank of New York in Peiping, and Y. T. Tsur, vice-Minister of Industry, also attended the meeting.

The engagement was announced Easter Day of Miss Alice Mamie Lee, daughter of Mr. and Mrs. K. S. Lee and Chien Kuo Hsia, son of Mr. and Mrs. T. Y. Hsia of Lungkow, Shantung. Miss Lee is a graduate of Eliza Yates School and attended Hangchow Christian College two years. Mr. Hsia is a graduate of Kwang-Hwa and Yenching Universities.

Miss Eleanor Shields, who was formerly with the American consulate-general in Tokyo and has since been in Mexico City, is expected to arrive in China some time in May, on her way to Peiping, where she will take over the work in the American Embassy at Peiping of Miss Roberta Duncan, who, in turn, is going to Mexico City to take Miss Shields' former position.

A hospital to house the large number of consumptive patients in Shanghai is being planned by the China Anti-Tuberculosis Association. Of the 3,500,000 people in Shanghai, it is stated that in the neighborhood of 200,000 suffer from tuberculosis. At present there is only room for 500 T.B.patients in Shanghai hospitals. The Anti-Tubereulosis Association is conducting an educational drive in Shanghai April 1 to 8, following a successful drive in Nanking.

A *Trans-Ocean* message from Berlin Mar. 27 stated that the German explorer, Wilhelm Filchner, who has been for some time in the Kokonor and Tsaidam region, where he has been making scientific observations for recording the distribution of terrestial magnetic forces, was arrested when crossing the border between Central China and Chinese Turkestan. Filchner was taken to Chotan, in the south-western part of East Turkestan, where he was held by the local authorities.

The death occurred in Shanghai suddenly during the night of Mar. 24 of A. D. Bell, a native of Scotland, and one of the most prominent members of the local British community. He had been resident here for thirty years and was prominent in both political and business circles. He had been a member of the Municipal Council for a number of years, serving as Chairman and Vice-Chairman, and had also been active on Council committees, especially in connection with education.

George Yankovsky, well known big game hunter and owner of a large estate at Shoutsu, Korea, arrived in Shanghai last week. Last winter Mr. Yankovsky accompanied by his three sons made several important hunting expeditions into the Korean mountains. His party returned with numerous prizes, having killed two leapords, one bear, four foxes, and 160 roe deer. Mr. Yankovsky is organizing further expeditions next autumn. He is stopping at 367 Avenue de Roi Albert, King Albert Appartments, and is always glad to receive visitors who are interested in hunting.

The Canadian Pacific s.s. *Empress of Britain* called at Shanghai for one day only (Mar. 28) with 450 passengers on board. Quite a few of the tourists, in order to extend their stay here, left the ship, and later flew to Peiping, again boarding the vessel at Chinwangtao. The *Britain* stopped over at Hongkong four days and at Chinwangtao also for several days. Shopkeepers here and in Peiping report that the tourists were liberal in their purchases of curios and *deluxe* wearing apparel. Several other round-the-world tourist ships are due here during this month.

T. L. Chang, research expert, addressed the Lester Institute of Medical Research in Shanghai Mar. 24, on the subject of "Rice Cultivation in Relation to Malaria." His observations, he said, were based on surveys conducted in Kiaochao during 1934 and 1935 by the Entomological Field Station of the Institute. The chief data referred to were in connection with the estimation of the incidence of anopheline mosquito larvae by a series of representative water collections from various types of breeding places. It was found that rice paddies ranked first in productive capacity for these larvae, which are the prime cause of malaria.

Dr. John Colbert, American physician in Tientsin, accompanied by his wife, departed on March 27 for California, with the ultimate intention of proceeding to France where he hopes to reside in future. Dr. Colbert was the defendant during May last year in a sensational trial in which he was accused of trying to murder his wife by slow poisoning. Reference was made at the trial to the suspicious circumstances under which his previous wife had died. Judge Helmick acquitted the accused, saying that he had not been convinced of any motive for Dr. Colbert wishing to murder his wife. Dr. Colbert came into further prominence several months later when a young woman who was receiving treatment for pneumonia at his private hospital died under circumstances which caused considerable comment.

Famine Sufferers in Szechuen Allegedly Resort to Cannibalism

A Chengtu dispatch to the *Sin Wen Pao*, Mar. 29 stated that refugees in Tsinhwa Hsien, Szechuen, driven by hunger, recently resorted to barbarous acts to statisfy their hunger when two women, by the name of Han, were served as a meal for several other hungry refugees.

Concerned over the drought situation in Szechuen, General Chiang Kai-shek Mar. 24 instructed General Liu Hsiang, Chairman of the Szechuen Provincial Government, to provide immediate relief to the peasants in the form of small rural credit loans.

The distribution of relief funds donated by General Chiang Kai-shek, to the needy families of the North-eastern troops was completed Mar. 23. Altogether $66,004 were distributed among 13,100 families of the soldiers.

Gen. Liu Hsiang, chairman of the Szechuen Provincial Government, announced in Chungking Mar. 26 that $10,000,000 has already been spent by the Szechuen authorities to aid famine sufferers in that province. An additional $140,000 will also be spent on immediate relief measures.

Communist Army Formed by Hungry Honan Peasants

Under the instigation of the Communists, a Red Army has been formed by hungry refugees in Liutang in Honan. The Army, totalling not less than 20,000 men, is equipped with up-to-date rifles, the *Sin Wen Pao* of Mar. 24 stated.

Forty Districts in Kweichow Affected by Drought So as to Relieve Food Shortage

At least 40 out of the 84 districts in Kweichow are in the grip of a protracted drought. The price of foodstuffs in the affected area is skyrocketing, causing much suffering to the Kweichow inhabitants.

Shensi Requests Better Communications with Shansi

The people in northern Shensi are facing a food shortage. In order to relieve the situation, the Shensi Provincial Government has requested the neighboring Shansi authorities to open up navigation between the two provinces by means of the various waterways so as to facilitate the transport of Shansi foodstuffs to Shensi to meet the acute need. Rice will also be purchased from Suiyuan for the stricken districts.

Shipping Service in Upper Yangtsze Again Disrupted

Shipping service between Hsintan and Wanhsien was disrupted once more last week on account of the drastic drop of the Yangtsze level to two feet below the safety mark. Although this area was visited by rainfall recently it did not materially help the situation and the farmers are finding it extremely difficult to sow their spring crops.

Hupeh Planning Big Canal Linking Han and Yangtsze Rivers

The dredging of a canal linking the Yangtsze River and the Han River, the two biggest waterways running parallel across Hupeh, at Shashih and Shayang in central Hupeh is being planned by the Hupeh Provincial Government. Such a canal navigable to river steamboats, it is pointed out by *Central News* will facilitate communication between the valleys of the Yangtze River and the Han River, and will ease the difficulties now experienced in transporting goods between north Hupeh and Szechwan, Yunnan and Kweichow by way of the two rivers.

Japanese Fishery Society Insistent on Operating Despite American and Canadian Opposition

Discussing the opposition manifested by America and Canada against the appearance of Japanese fishing vessels near the Alaska coast, the Oceanic Fishery Promotion Society of Tokyo recently issued a statement which contained the following sentences: "The open sea is jointly owned by world humanity and does not admit of private ownership by any person. It is free, therefore, for any one to use the open sea and utilize its products. Any attempt to monopolize the Behring Sea or Indian Ocean either on paper or in speech, or considers seals, sea-otters and kindred mammals the monopolized possessions of a single country or insists on the salmon and trouts in the Northern Pacific as the possessions of a single country or any similar views, only sound as nonsense to the ears of the Japanese."

Filipino Attorney Opposes Advancing of Independence Date

Dr. B. M. Gancy, a Filipino attorney, in Washington Mar. 27 attacked the proposal of Senor Manuel Quezon for the granting of early independence to the Philippines. The transition period, he declared, was already too short to prepare the Islands for the eventualities of economic adjustments, which would be necessitated by complete independence.

A joint committee of American government experts is investigating the feasibility of earlier Philippine independence. It will consider the views of businessmen as well as officials.

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New Books of Interest in the Far East

An Analysis of Present-Day Europe and Its Leaders

Inside Europe. By John Gunther. London: Hamish Hamilton; 12s 6d net.

That the fate of China is more closely bound up with events in the remainder of the world becomes more evident as time passes. To the Chinese peasant, toiling to earn a bare subsistence from a stubborn and capricious soil, America and even Japan may seem infinitely remote. But educated and thoughtful Chinese know that the world's problems, particularly those of Europe, lie on China's doorstep, an intangible bomb ready to explode at a moment's notice. The signing of the German-Japanese Alliance, with its ill-concealed threat of war, has brought Europe closer than ever to China and enhanced the possibility of "serious repercussions" in the Orient, following the outbreak of any European conflict.

As China's destinies are so interwoven with European affairs, any book on present-day Europe which gives a reliable background for current happenings is a valuable asset to those who follow current developments with reference to events in the Far East. John Gunther's "Inside Europe" is not only such a book, but also one of the most readable analyses of post-war developments which has been published. The author's interpretations may be questioned, but his facts appear substantially correct.

All too frequently the heads of governments remain merely names in the newspapers. They have no reality for the reader. In exceptional cases the public does form some impression, right or wrong, of the character of a man and his relationship to his country's actions; but the picture they form is of necessity distorted and incomplete. Therefore, Mr. Gunther has preformed a real service in making European men of affairs live for the reader.

The anthor's thesis, clearly stated in the preface, is that "the accidents of personality play a great role in history." No one disputes the fact that certain great men have changed the face of the globe in their day and will again; but it is doubtful whether such minor people as King Zog of Albania, Carol of Rumania or Blum in France, important as they may be at present, will stalk through the pages of histories written one hundred years from now. If they are remembered at all it will be in connection with some world-tossing event in which they unwittingly shared. How many of the "great" of the World War are great today? "*Sic transit gloria mundi*!" But this book tries to tell the intimate story of leaders of the moment, "the personal sources of their power, and *the reasons for their impact on history*." (Italics the reviewer's). This too great emphasis on personality as the mainspring of all events spoils the author's interpretation, so that he is often inaccurate in his diagnosis of their significance.

In line with his over-emphasis on personalities Mr. Gunther has stressed political trends in Europe to the detriment of social and economic factors. However, this is an inevitable concomittant of his thesis. But this does not alter the fact that Mr. Gunther's book is one of the finest popular works which has been written on post-war Europe, and an excellent word portrait of that harassed continent's outstanding men of the moment.

The story begins with Hitler and Hitler's Germany, and Gunther's picture of Der Fuehrer and his subordinates does not leave much to recommend Nazism to the outside world. His purpose in beginning the book with Germany is to enable him to study other European countries in relation to Germany. Leaving that country the author investigates French politics and politicians with emphasis on Blum, temporarily in command of the Popular Front, a union of leftist parties. Crossing the Pyrenees Gunther analyses the Spanish Revolution, its leaders and its causes. Newspaper reports have conspicuously lacked background for the civil war, and Gunther's diagnosis though not complete is fairly accurate. From Spain he moves the reader to Italy, Mussolini and Fascism. A jump across Europe lands the author in England and Ireland, then another jump back to Austria and Hungary. The chapters on these two countries are among the best in the book. The author was in Vienna during the sanguinary attack on Vienna socialists and also when Dolfuss, Europe's pint sized dictator, was assassinated. The countries making up the Little Entente are then examined, the Balkan countries and also Turkey. From there the author goes to Poland and thence to Russia, scene of a new social and economic experiment.

In his description of Europe's men of the hour and their satellites Gunther has endeavored to take into consideration such psychological maladjustments as are known or assumed to exist in their early lives. He has set himself an impossible task, which on the whole he has not handled badly. By this means he has succeeded in making his dictators and princelings human, even if he has not been able to "explain" them entirely. In a few instances he has carried this method beyond legitimate bounds. For example, it is debatable whether Mussolini developed claustrophobia as a result of familiarity with a number of prison cells. If he has a horror of being shut in a small place, it probably developed in his childhood. But on the whole John Gunther has done as good a job of dissecting the characters of Europe's ruling coterie as could be done within the confines of a single book and with the knowledge available.

"Inside Europe" has acquired a popularity which is well merited. The author writes extremely well and he can be witty. His style is lucid and to the point. The book has been well labelled a political Baedeker.

D. D.

Life in Soviet Buryat Mongolia Described

Buryat Mongolia—Speeches Delivered by Delegates of the Buryat Mongolian Autonomous Soviet Socialist Republic at a reception at the Kremlin. International Publishers. N.Y. 1936. 56 pp.

Although few in number, Mongols today are playing an important role in the clash of Chinese, Japanese and Soviet interests in the Oriental. China still controls a part of the Ninghsia, Suiyuan and Chahar Mongols. Japan rules the Mongols of Hsingan and is rapidly extending her sway over the banners of Chahar. The remainder of a once great people live in the Soviet Outer Mongolia and the Buryat-Mongolian Soviet Republic. It is with the life of the latter that the reviewed pamphlet deals. The delegates describe the progress of Moscow's plan to transform nomads into settlers, living in permanent homes, opening schools, hospitals and cinemas, working in cheese factories, and raising immense herds of cattle. The republic, according to one delegate, already has more than 300,000 farmers, organized in 1,060 collective farms. The plan has apparently been crowned with success, thanks largely to Moscow's abandonment of the principle of communal property. All delegates without exception stress their ownership of property, and especially cattle. An interesting feature of the pamphlet is the glorification of Stalin, each speech as a rule ending with: "Long Live our beloved and great leader, Comrade Stalin." One of the delegates even ventures into poetry, with a poem dedicated "To the Great Stalin." Its opening verses read: "All conquering Stalin, who art harder than steel! Thou art taller than the tallest ridge of Sayan; Thou art more transparent and clearer than the bright waters of Baikal, that carry a song of thee . . . They teaching has become the flaming heart of peoples . . ." The booklet is indispensable to students of the Mongol problem.

M.

Sun Yat-sen's Political Theories Analyzed

The Political Doctrines of Sun Yat-sen. An Exposition of the San Min Chu I. By Paul Myron Linebarger. 278 pp. Baltimore: The John Hopkins Press. 1937. Price $2.75.

The author of this book is the son of Judge Paul Myron Wentworth Linebarger, Legal Advisor to The National Government of China, counsellor and intimate friend of Sun Yat-sen, who perhaps better than any other foreigner knew the personality and thought of China's greatest political leader.

The fact that Sun Yat-sen's political philosophy constitutes the background of modern China's development is an old truism and from this point of view the book which offers an exposition of the *San Min Chu I*, based upon the study of Sun Yat-sen's own works and the detailed analysis of each of these three principles, moreover written by a person exceptionally fitted for this task, is undoubtedly to be considered a new source of knowledge for all those interested in modern China and her philosophico-political problems.

The bibliography of works in Western languages dealing with Sun Yat-sen is short. The book under review not only renders obsolete all previous volumes on this subject but also makes available for the Western political scientists the best political thought of the Far East, for the first time presented with lucidity, deepness and strength.

From the discussion of the ideological, social and political background of Sun Yat-sen's teaching, Mr. Linebarger proceeds to the exposition of his theories of nationalism, democracy and *Min Sheng* and his programs for practical developments of these theories through a progressive revolution.

Judged by the material which the author disposes of, the book would be able to satisfy the most exacting scholar, and no curious layman must miss the opportunity of getting acquainted with it for the sake of better understanding modern China's developments and aspirations.

A. G.

U.S. Tariff Policies Assailed

Why Quit Our Own? By George N. Peek with Samuel Crowther. Published by D. Van Nostrand Co., Inc., 250 Fourth Avenue, New York City. 353 pp. Price, U.S. 50 cents.

This book is an attempt by George N. Peek, former Administrator of the Agricultural Adjustment Administration, to prove that the foreign trade policies being followed by Secretary of State Cordell Hull are causing more harm than good to American industry and agriculture.

The reciprocal trade agreements which have been signed with 15 or 20 countries contain all the worst features of free trade which the United States has turned down at the polls, and result from a foreign policy which is utterly destructive, adding nothing to the

wealth and prosperity of the United States but only subtract from what America already has, shifts jobs from American to foreign workers and transfers to foreign nations the control of what the United States still possesses, according to Mr. Peek.

The author was the leader of a clique which advocated a narrow trade nationalism and his failure to impose his beliefs upon President Roosevelt and the Congress resulted in his final resignation. Since then he has spent most of his time going around the country and writing books against the Administration.

Nevertheless, he has marshaled a vast array of facts to support his own contentions, but it might be pointed out that the facts are twisted and distorted to show how right his views are and how wrong the others are. His book would have been much more convincing had he been less zealous in his attempt to attack, but had presented a fair and adequate summary of the views of those he chooses to call the "destructive internationalists."

The titles to some of the chapters in the book, such as "Broken Promises," "The Muddle of Foreign Policy," "Founding an Un-American Policy," "The Sell Out," "Internationalism Gone Wild," give the key to Mr. Peek's partisan viewpoint on the question of foreign trade.

The object sought by Mr. Peek is to overthrow the present foreign trade policy and substitute his own policy. There is little chance of that eventuality during the present Administration but there is a possibility that men with views like Mr. Peek's may gain a voice in the next Administration.

To the student of American foreign trade policies, "Why Quit Our Own" is definitely worth reading but its biased viewpoint and narrow provincialism keeps it out of the class of books which contribute to world knowledge of trade.

E. H. L.

Inevitability of Revolution Discussed in Book by Journalist

Face of Revolution. By Michael John. New York, MacMillan, 1936. 333 pages. U.S. $2.50.

This book describes journeys and impressions gained in two years of travel in Germany, Italy, Britain, Russia and the United States. Now it is a self-evident fact that the value of an opinion depends upon the individual person who ventures the opinion. From a book of facts we may draw our own conclusions, but in Face of Revolution we are presented with a torrent of opinions by an anonymous author. True it is that the publishers announce that the author "who takes the name of Michael John, has been a civil servant, soldier, journalist and politician." However if this journalist and politician cannot take the consequences of his opinions—which after all are neither startling nor unusual—why should his readers take him seriously?

The book is too fragmentary and kaleidoscopic to be fully satisfactory. The transitions are too rapid, and the general tone is that of a mass of newspaper clippings. The idea which unifies the book is the inevitability of revolution.

F. M. R.

Views of Japanese Life Issued by Tokyo Cinema Association

An interesting pamphlet entitled "Japanese Life in Pictures" has recently been issued through the Press Bureau of the Japanese Embassy. As the title indicates the material consists of pictures of representative scenes of Japanese life. Explanations accompanying the pictures are given in English, French and German. The pictures show the Japanese people at work and at play, both in winter and in summer. The publishers of the brochure are the International Cinema Association, Kyodo Tatemono Building, Sukuyabashi, Tokyo.

Grandmother, Mother And Daughter.

"Some time ago I wrote to tell you what a wonderful help your pills had been to my mother. Two months ago I started taking them myself and I now have more vigour and a much clearer complexion.—But all this is not new in our family as I have heard my grandmother praise Dr. Williams' Pink Pills and say they are wonderful." Thus writes Miss Margaret Hibbert of Scarboro Jct. Toronto, Canada.

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桂中樞 **KWEI CHUNGSHU,** *EDITOR*

朱少屏 **P. K. CHU,** *BUSINESS MANAGER*

The China Critic
749 Bubbling Well Road,
Shanghai. Tel. 33627

Greater Shanghai Government Takes Steps to Decrease Illiteracy

The free education committee under the bureau of the City Government of Greater Shanghai has completed a program which aims to reduce the number of illiterate people in Shanghai. There are altogether 108,115 children of school age in this city excluding the special districts, according to statistics compiled by the bureau of education. Of this number, only 53,763 are attending classes.

$9,000 for Northeastern U. Students for Scientific Research

An appropriation of $9,000 as subsidy for scientific research for students of the Northeastern University has been decided upon by the Ministry of Education.

Ministry of Education Will Be Asked to Appropriate $20,000 for Films

The Ministry of Education will be petitioned to appropriate a sum of $20,000 for the making of educational films, according to a decision reached at the 5th annual meeting of the China Educational Film Association held in Shanghai Mar. 28 at the Chinese Y.M.C.A., Boulevard de Montigny. Pan Kung-chan, director of the local Bureau of Education and Social Welfare, in an opening address, pointed out that moving pictures, broadly speaking, can educate the audience and increase their store of knowledge, and expressed the hope that hereafter the association will exert more efforts along this line.

Physical Training in Schools to Be Inspected

The Ministry of Education has commissioned Messrs. Gunsun Hoh and Chang Chi-wu, superintendent and assistant superintendent of the physical education department of the Ministry, to inspect athletic training in schools in various provinces and municipalities.

Singapore Chinese Philanthropist to Build 100 Primary Schools

Aw Boon Haw, Chinese business magnate in Singapore, will contribute funds for the construction of 100 primary schools in China, it was announced in Hangchow Mar. 26. Of the number, 80 will be built in Fukien, while the other 20 will be divided between Chekiang and Hunan.

President Liu of Shanghai University Lauds Dr. Huizinga

Dr. and Mrs. Henry Huizinga, who are retiring from active service at the University of Shanghai, departed this week for the United States. Before their departure they were honored at farewell dinners and parties given by his colleagues, students, alumni, and friends. At a special assembly of the University faculty and students, President Liu paid high tribute to the aged couple for their long, unselfish missionary service to China. On behalf of the University, and as a token of love, he presented to Dr. and Mrs. Huizinga a scroll with appropriate Chinese characters. Dr. Huizinga, a missionary under the American Baptist Foreign Mission Society, had been professor of English and head of the English department in the University of Shanghai since 1917. Prior to that time, Dr. and Mrs. Huizinga spent 20 years as educational missionaries in India, under the same foreign mission society.

College to Be Founded Near Nanking to Honor Hu Han-min

More than 500 mow of land have been purchased at Chihsia Shai near Nanking for the Han Min College, which will be established in memory of the late Hu Han-min, veteran Party leader who was Chairman of the Standing Committee of the C.E.C. at the time of his death.

College Director Exonerated by Hopei High Court

The Hopei High Court Mar. 18 reversed the verdict of the Peiping District Court against Liu Yun-chou, Director of the college of Agriculture of the National University of Peiping, who was found some time ago guilty of forging documents and sentenced to three months' imprisonment. The High Court has found Mr. Lin not guilty.

Nanking to Build Library with British Boxer Funds

Recent advices from Nanking stated that the National Central Library, construction of which will be started in August, is expected to be completed sometime next year. The structure will cost $500,000 and will be financed by the Sino-British Boxer Indemnity Fund Board.

Shanghai International Educational Association Holds Its First Meeting

The first meeting of the new council of the Shanghai International Educational Association was held in the Chinese Y.M.C.A. Mar. 23. The council consists of the following members:—President, Dr. Herman C. E. Liu, (Shanghai University): Vice-Presidents, Prof. A. F. Barker, (Chiaotung University) Dr. P. W. Gugel (Kaiser Wilhelm Schule); Hon. Secretary, H. C. Chen (Education Dept. S.M.C.); Hon. Treasurer, R. G. Southeron (Polytechnic School); Members:—Dr. J. Usang Ly (Chiaotung University), Mrs. H. Cresy (American School), A. Emms (Lester Institute), Mlle. Lamberton (French Municipal School), Miss Beulah Chang (Mary Farnham School), F. W. Kuck (Kaiser Wilhelm Schule), H. S. Bartley (Ellis Kadoorie School), Miss Robertson (McTyiere School).

Opportunities for Trade With Firms in America

Persons interested in communicating with the firms listed below should write to the Commercial Office, U. S. Consulate-General, Shanghai, giving the number of the item in which the writer is interested:

884 —New York firm wishes to contact exporters of seeds and vegetable oils.

885 —Philadelphia manufacturers of a line of paper napkins, crepe paper, labels, etc., want China representative.

886(987) —A firm in Cincinnati, Ohio, would like to find suitable distributor for new hearing aid device.

887(988) —A New York firm wishes to communicate with interests in Shanghai with a view to the manufacture of dry ice by a patented process.

888(989) —An organization in Pearl River, New York, would be interested in contacting wholesaler or distributor for a clock showing universal time. This clock is of particular interest to persons interested in short wave radio reception.

889(990) —A firm in Akron, Ohio, would like commission representatives and dental supply houses to sell their rubber dental equipment.

890(991) —A Boston, Mass., concern wants to act as selling agents for exporters of hides, skins, bristles and other China products.

891(992) —A New York, N. Y., company desires to obtain the agency for shippers of hog and sheep casings.

892(993) —A New York concern wishes to sell transformers and material for luminous signs, to manufacturers of neon lights.

893(994) —A New York company are interested in acting as selling agents for silk mufflers, grass linen, etc.

894(995) —A manufacturing firm in Bellevue, Ohio, (Export Dept., New York City) is interested in export market for farm implements and tools.

895(996) —A New York concern wishes to sell ladies' silk dresses.

896(997) —A Baltimore, Md., company desires to extend its export trade in whiskey barrels, steel drums, kegs and barrels for packing of whiskey, vinegar, pickles and edible commodities.

897(998) —A firm in Settle, Wash., would like to contact companies interested in distribution of dry salted salmon, salmon eggs, dried salted herring and dry salted flounders, lumber and logs, used rubber tires and tubes, and ginseng.

898(999) —A New York firm desires to sell canned Cuban lobsters.

899(1000) —A firm in Akron, Ohio, is interested in finding wholesale distributors or commission agents to handle their drawing board and paper. (Chiefly for use in advertising display).

900(1001) —A representative for their razor blades is desired by a firm in Jersey City, N.J.

901(1002) —An individual in San Francisco, Calif., would like to get in touch with importers of office machines, calculating, adding, and typewriters.

902(1003) —A New York concern wishes a firm to act as exclusive agent for hair dryers and beauty parlor equipment.

903(1004) —A distributor for dried fruits in powdered form (used by bakers, confectioners, etc.) is wanted by an individual in Hackensack, New Jersey.

904(1005) —A Cincinnati, Ohio, firm wishes factory representatives, commission agents specializing in automotive products and automotive wholesalers or buying distributors to act as their distributors for lubricating and service station equipment.

905(1006) —A company in Cincinnati, Ohio, are seeking distributors for trailers.

906(1007) —A person in Philadelphia, Pa., wishes to import from China goatskins and sheepkins and to export to China bottled beer and ale.

907(1008) —Palm fibers for making brushes are desired by a firm in Portland, Oregon.

Shanghai Municipal Council Makes Grant of $10,000 to American School

A grant of $10,000 for the Shanghai American School was approved by the Shanghai Municipal Council last week after consideration of a recommendation by the Finance Committee. The particular point about this decision is that the American School is located, not in the International Settlement, but in the French Concession. It was decided that the American School authorities are to be informed that such grant is being made without prejudice to the question of policy involved by the issue of a grant to a national school situated outside the Settlement; that the grant issued pending a report on the subject in general by the Special Education Committee now sitting, and that the whole question will be considered next year in the light of the Council's future policy in regard to foreign education.

Three Wives of British Soldiers Sentenced in Abortion Case

Mrs. Dorothy Soar, Mrs. Ivy Plaskett and Mrs. Matilda McGarry, wives of men of the Lancashire Fusiliers, were found guilty in the British Supreme Court in Tientsin on Mar. 23 on charges arising out of abortion, and were sentenced to terms of nine, six and three months' imprisonment respectively.

It was revealed in the testmony that the defendant Plasket was *enceinte* and that the father was not her own husband—therefore she was anxious to get rid of the child; the defendant McGarry had also connived at an operation for abortion being made upon her. The illegal operation was performed by the defendant Soar, who had a certain amount of medical knowledge, having been a nurse.

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March 31, 1937

Stock Exchange—Business Done:-

Total Volume: 1,220,000 Shares

1936—37 High	1936—37 Low	Div. $ per sh.	STOCK	Last Sale Mar. 29	Last Sale Mar. 30
22⅝	9⅝	0.55	Adams Express	20½	21¼
83½	35⅜	1.50	Allis Chalmers	66	67⅜
137½	105⅝	4.00	American Can	107⅞	108½
40⅜	29¼	0.00	Amer. Cyanamid "B"	31½	32½
12⅜	6¼	—	American & For. Power	10⅛	10⅝
68⅞	29⅜	—	American & Foreign Pwr. $7. pfd.	55	55½
29¼	18⅜	0.60	American Radiator	24⅝	25¼
190⅛	149½	9.00	Americacn Tel. & Tel.	170	170⅜
104	81¼	5.00	American Tobacco "B"	84	84¼
29½	19⅛	0.80	American Waterworks	22⅝	22⅝
69½	28	1.00	Anaconda Copper	63⅛	65⅜
88½	59	2.00	Atchison, T. & S. Fe	82	83⅜
54¼	26⅝	—	Auburn	29	28¾
9⅜	15⅞	—	Baltimore & Ohio	37½	39
104⅞	45⅜	1.50	Bethlehem Steel	96¾	101¾
49⅛	16⅞	—	Boeing Airplane Co.	42⅞	41¼
17⅝	10⅞	—	Canadian Pacific Railway	15	15⅝
186	92¼	4.00	Case, J. I.	151	155
100	59	3.00	Chesapeake Corp.	79¼	80¼
77¾	51	2.80	Chesapeake & Ohio	59⅛	60⅛
138¾	85½	12.00	Chrysler	124⅛	126
23⅜	14	0.60	Columbia Gas Electric	15⅛	15½
24⅝	14¼	0.60	Coml. Sovents	18¼	18⅜
5½	2¼	—	Commonwealth & Southern, ord.	3⅛	3
49⅞	27¼	2.00	Consolinated Edison	39⅝	39⅞
17½	11½	0.80	Consolidated Oil	16¾	16⅝
45½	28⅛	1.00	Continental Oil	42¾	44
82½	63⅝	3.00	Corn Products	67¼	67
82¼	50⅝	—	Douglas Aircraft	60⅞	61
184⅜	133	6.10	Du Pont de Nemours	157½	159¼
28	15⅜	—	Electric Bond & Share	21⅛	21⅞
64½	34½	1.00	General Electric	56⅜	58¼
44¼	33⅝	2.00	General Foods	42½	42⅝
77	53⅞	4.50	General Motors	62	63½
65¼	22½	1.00	General Railway Signal	53⅜	53½
49⅞	13⅝	1.00	Gold Dust	46¼	48⅛
46⅛	21⅝	0.50	Goodyear Tire & Rubber	42⅝	45⅛
86¾	57	1.00	Humble Oil	81½	82
72⅞	43¼	1.60	International Nickel	69	70¼
19¼	11½	—	International Tel. & Tel.	13	12⅞
68⅜	28¼	1.70	Kennecott	62⅛	65
80⅜	43	2.00	Loew's Inc.	77⅜	78½
28⅝	21⅛	1.20	Lorillard	24½	24⅝
103	79	1.70	Monsanto Chemical	90	89½
68⅜	38⅜	2.00	Montgomery Ward	60⅜	62¼
37⅜	27	2.19	Nat. Bond Investment	29	29
28¼	21	1.20	National Dairy Prods.	24¼	24½
34¼	25⅝	2.00	National Distillers	33⅝	33⅞
14⅞	9⅝	0.60	National Power & Lt.	11⅜	11½
54¾	27⅜	—	New York Central	50⅝	52½
36⅝	23⅞	1.00	North American	27	27
41	30¾	2.00	Pacific Gas & Electric	31¾	31½
58¾	44	3.00	Pacific Lighting	44½	44¼
13⅜	6⅜	0.45	Packard Motors	10⅞	11
49⅞	28¼	2.00	Pennsylvania Railroad	47¼	47⅜
57⅜	38⅞	2.50	Phillips Petroleum	55⅞	56¼
52¾	39	2.60	Public Serv. of N. J.	45	45½
14¼	9¾	—	Radio Corporation of Amer.	11	11⅛
60½	50	3.00	Reynolds Tobacco "B"	52⅜	52¼
55⅞	37¾	3.00	Schnley	49	48⅝
101½	59⅝	3.00	Sears Roebuck	90½	91¼
19½	12½	0.70	Socony-Vacuum	18¾	19
32½	25	1.50	Southern California Edison	27	27
65	23½	—	Southern Pacific	59	62⅞
18⅛	14⅜	0.80	Standard Brands	14⅞	15
14¼	5½	—	Standard Gas & Electric	11⅝	11⅜
75½	51½	1.00	Standard Oil Co. of N. J.	71	71⅜
78½	65	3.80	Sterling Products	67½	68
44¾	33	2.00	Texas Gulf Sulphur	41	44
18⅛	11	0.40	Transamerica	15⅞	16
110½	71⅝	2.80	Union Caride & Carbon	103	104⅛
149¾	108½	6.00	Union Pacific	142¼	146½
34⅝	20⅝	0.50	United Aircraft (New)	30¼	30⅞
24⅜	13	0.20	United Airline Trans.	19¾	20
13⅝	4	—	United Corporation	6¼	6⅜
19½	14	1.00	United Gas Improvement	14	14⅛
59	31¼	—	U. S. Indus. Alcohol	40	41
69⅝	16⅝	—	U. S. Rubber	68	71⅞
126	46⅝	—	U. S. Steel	118⅝	123¼
38⅛	16¼	—	Vanadium	34½	36⅜
18⅜	9¼	—	Warner Bros. Pictures	14	14⅛
167⅝	94½	5.50	Westinghouse Electric	140½	145

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